

JOURNAL

OF THE

AMERICAN BANKERS

ASSOCIATION



June, 1911

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JUNE, 1911.

No. 12

OFFICERS AMERICAN BANKERS ASSOCIATION. 1910-1911.

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NEW ORLEANS CONVENTION.

As has already been announced, the next convention of the American Bankers Association will be held in New Orleans during the month of November. The St. Charles Hotel has been selected for Association headquarters.

At this early date all indications point to an unusually large convention. This assumption is based on the requests which have been sent to New Orleans hotels for rooms.

The Association has nothing whatever to do with hotel reservations, excepting to provide at headquarters hotel only for officers and the Executive Council of the Association. A Hotel Committee will doubtless be appointed by the New Orleans Clearing House to handle hotel reservations in an expeditious and satisfactory manner.

The New Orleans Clearing House has appointed the following special committee: John H. Fulton, President Commercial National Bank; Sol. Wexler, Vice-President Whitney-Central National Bank, and Charles Janvier, Vice-President Canal-Louisiana Bank & Trust Company. To this committee has been assigned the duties of fixing the date of the convention, and the appointing of all necessary committees.

General Secretary Farnsworth will be in New Orleans about June 12th, for the purpose of conferring with the committees, and settling on the date, and also for discussing all details relating to convention week, entertainment, and necessary work.

New Orleans has twice before entertained the Association, in 1891 and 1902. The well-known hospitality of the South, and the attractiveness of the city, presage an unusually large, successful and satisfactory convention.

Official Badges.

After providing for the delegates who attended the Los Angeles convention, a few of the official badges prepared by the Association were left over. Any of our members not present at Los Angeles who would like one as a souvenir, can obtain same by writing to the General Secretary. These will be sent out in the order in which the applications are received until the supply is exhausted.

Credit Blanks.

There was published in the May, 1910, issue of the Journal a description of credit blanks and a questionnaire for use in the credit department of banks, which forms were prepared by James G. Cannon, of New York City, and reproduced in the Journal mentioned. The prices were also quoted at which they can be obtained in quantities of 250 up to 1,000.

Anyone desiring these forms can send their order to the General Secretary of the Association, who will forward same to the printer, and the blanks will be shipped direct to the purchaser, together with bill.

TRUST COMPANY SECTION

"RELATION OF TRUST COMPANIES TO MONETARY REFORM."

By Hon. Nelson W. Aldrich.

The Executive Council of the Association and the Executive Committee of the Trust Company Section, having unanimously indorsed Senator Aldrich's proposed plan of Monetary Reform, as amended by the Currency Commission of the Association, it seems eminently proper that the Senator's last address on the subject, delivered at the Trust Company banquet on May 5th, last, should be published. The address is as follows:

"Relation of Trust Companies to Monetary Reform."

The structural weakness and defects of our monetary system are emphasized by the enforced application of antiquated methods and practices adopted by legislation half a century ago to modern business and economic conditions. Our national laws regulating banking methods and the issue of bank notes were enacted during the Civil War and have remained practically unchanged since, while all the requirements for the successful development and prosecution of our industrial and commercial life from a banking standpoint have radically changed. Everywhere else throughout civilized world, similar changes in conditions have led through experience to the universal adoption of new banking and monetary methods.

The increasing complexities of modern economic life render a comprehensive and efficient organization of credit more and more important. Such organization as we have is fatally defective at vital points. The able and progressive managers of our financial institutions, who are generally thoroughly alive to the interests of the communities which they serve, are in no sense responsible for this. They have gone as far as they possibly could in the direction of securing relief through the organization of clearing houses, whose recognized functions have constantly increased in importance. Clearing-house loan certificates have been extremely useful in averting disaster at critical times. All bank managers, I believe, appreciate the fact that there can be no substantial reform of our monetary system, except through reconstruction by national legislation.

It is not my purpose to-night to allude to all the modifications to our banking laws that seem to me to be necessary to secure the best results. I shall only refer to a few of the more salient and important

changes that, in my judgment, are absolutely necessary to cure existing defects.

In the outline of a plan of monetary reform submitted by me to the Monetary Commission, I have indicated the lines which I believe must be followed in any successful reorganization. I have suggested the adoption of provisions, somewhat radical in their character, to bring our methods into line with the best practice in other countries. I have suggested, among other important amendments, one with reference to the treatment of reserves, one to provide means for increasing the lending powers of banks to meet varying demands and another governing future note issues on what I conceive to be a more correct and scientific basis. The general plan contemplates the association of all assenting banks into organizations along the lines suggested to me by our experience with clearing houses. It provides for the formation of a Reserve Association, with a capital approximating \$300,000,000 whose only stockholders are contributing banks, which must own and hold their stock in a fixed proportion to their capital.

Unification of interests and co-operation is secured by the organization of all assenting banks into local associations, all local associations are to be grouped into fifteen divisions to be known as districts, and each district association to be a branch of the central reserve association.

I have deemed it essential for the success of the plan suggested that the control of all of the functions of the Reserve Association named, important as they are, from every point of view, to the welfare of all our people, should be placed beyond the reach of political influence or any local domination. I believe this has been successfully accomplished by the form and manner of reorganization suggested. A majority of all the banks located in the territory covered by a local association, without reference to their capital or resources, elect a majority of the directors of each local association; a majority of all the local associations, without reference to the combined capital or resources of its members, can name a majority, including the additional members not bank officers, of the directors of each district association and of the branch of the central association. A majority of the district associations, without reference to their relative importance, can name in the manner I have stated, a majority of the directors of the Reserve Association. A majority of the directors of the Reserve Association elect the Executive Committee and furnish a list to the President of the United States, from which he must select a governor and two deputy governors of the Reserve Association. I have understood fully that the principal objections that have been urged against any central

organization or association of banks have arisen from the fear that it might be subject to political influence or be brought under the domination of New York, or Wall Street to use a common expression. With individual banks, without reference to size, adopted as the voting unit, it would seem clear that it would be a physical impossibility that the fifty-three members of the New York Clearing House or that the eighty banks and trust companies in New York could control the votes of 10,000 or 20,000 banks located in all sections of the country.

Objection has been made in some quarters to the provision which authorizes the President of the United States to select from a list furnished by the directors of the Reserve Association a governor with authority to remove this official at any time for cause. This objection is based upon the theory that removals might be made for political reasons. It does not seem to me that there is any force in the objection. While the United States has no ownership in the association, it is greatly interested in its management. The association is made the principal fiscal agent of the Government, which will at all times be its largest depositor.

While the ownership of the association is rigidly restricted to banks, it is in the broad sense a national institution, and the people of the entire country have the greatest possible stake in its wise and efficient management. I have personally no fears that any President of the United States would misuse the powers given him. In any event, the new selections must be made from a list to be furnished by the directors and, therefore, made with their approval. In fact, the organization suggested is purely an association of banks, owned, controlled and managed at every step solely by the banks. There is no more probability of political control than there is that the various clearing houses of the country should become a part of a political machine. There is no chance for any interest, great or small, or any organization or combination in New York or elsewhere, to take control of the association, except with the assent of a majority of the banks of the United States. The voting power of the banks in any locality is restricted in such a manner that there can be no possible control which is not in the interest of all. Every bank holds its stock in a fixed proportion, which cannot be changed. There can be no sale of the stock and no transfer, except in case of a reduction of capital or liquidation and in this case only to the association itself. I have noticed in some quarters objections to the manner in which the Executive Committee is constituted. In this matter, as in the selection of governor, I have indicated the course that seemed to me desirable to secure the best possible management by which public confidence would be most certainly secured, but the manner of selection in both cases could be changed without affecting the essential provisions of the plan submitted.

It will not be possible for me in the time at my disposal to-night to enter at any considerable length into a discussion of the principal features of the suggested plan or the results which I hope will be attained by their adoption. It may perhaps be profitable to briefly contrast a few of the provisions of the new plan with those of existing law.

As I have already stated, one of the principal defects in our existing system is found in the arbitrary and, I think I may safely say, absurd provisions in our national banking law with reference to the treatment of the reserves. As you are all aware, each national bank is required to keep in its own vaults a sum varying from 6 per cent to 25 per cent of its liabilities in lawful money. In addition to this, banks outside of central reserve cities may deposit from 9 per cent to 12½ per cent of such liabilities in banks in reserve or central reserve cities, and such deposits are treated as a part of their legal reserve. If at any time the aggregate amount of the reserve so held or deposited by any bank falls below the legal requirements all loans and discounts must cease. In other words, whenever a bank has the greatest need for its reserves they are not likely to be available for its own use to protect or assist its customers or to assist other institutions which may be in distress. Whenever an extension of credit is necessary to prevent a panic, or to avert the destruction of confidence, or to meet a seasonal or sectional demand for moving crops, an enlargement of the lending powers of the banks becomes necessary and this can only be secured through an increase of reserves. This increase can be usually secured only by withdrawing lawful money from another bank, whose reserves and lending powers are correspondingly reduced and the general condition is not improved. Whenever, in cases of trouble, real or anticipated, the demand for additional reserves becomes acute, each bank, having in view the rigid provisions of law, naturally protects itself. There is no common policy; no cohesion for the general good; no power to enforce co-operation and the result is that the diffused reserves are practically useless and ineffective.

In order to remedy these defects and to save the country from their injurious consequences, it is evident that we must provide such an adequate organization of credit as will enable the banks to respond promptly to all legitimate demands upon their resources. The policy which has been adopted in all the leading commercial countries to prevent financial crises and to allay excitement in times of stress, as well as to enable banks to meet seasonal and usual demands, is to furnish the machinery by which banks can at all times be able to protect and replenish their reserves and thus increase their lending power in order that they may give credit freely and promptly to all entitled to receive it. It is proposed to secure an analogous result here by similar methods to those employed abroad. The Reserve Association is to receive the deposits of subscribing banks and it is proposed that these deposits be considered a part of legal reserves of the depositing bank, and the expectation is that a considerable portion of the cash reserves of the banks of the country, which now amount to approximately \$1,500,000,000 of lawful money, will be transferred to the Reserve Association. This would result in a concentration and mobilization of the reserves, by which the resources of all the banks would be available for the assistance and support of any solvent and properly managed constituent member of any community.

It will hardly be necessary for me, in this presence to enter upon a lengthy discussion of the reasons which have led to the phenomenal growth and

the financial success of trust companies as compared with national or State banks. The causes of this greater prosperity are apparent. They are to be found largely in the changes which have taken place in the character of the business of trust companies from the earlier days, changes which are familiar to every student of the subject. Many, perhaps most of the trust companies of to-day, in addition to their important trust business, do in effect, the same business as commercial banks of discount and deposit, receiving demand and time deposits and, in many instances, savings deposits. There are, in many cases, practically no limitation on the character of their investments. They purchase and hold stock and other securities in any corporation. Some of them, directly or indirectly, undertake the promotion and underwriting of industrial and other enterprises.

The much wider range of profitable business which trust companies are authorized to transact, together with the fact that in many cases the legal provisions with reference to the character and extent of their reserves are much more liberal, has given these institutions much greater advantages and privileges than are now accorded by law to national banks. I do not make this statement as an adverse criticism upon the general character of the business done by properly managed trust companies. The tendency all over the world is to concentrate under a single control all forms of legitimate banking functions. In this country there is a strong feeling on the part of many that we should so liberalize our laws with reference to national banks that they should be authorized to transact all classes of business which are now carried on by trust companies.

In discussing the relations which trust companies should have to the plan for monetary reform which I have suggested, I will say that while the inclusion of State banks and trust companies in the membership of the Reserve Association may not be absolutely necessary for the substantial success of the plan, it is, however, of the utmost importance, from a broad public standpoint, as well as for the safety and welfare of the banks themselves, that there should be a complete unification in one comprehensive system of all our banking institutions. If co-operation is desirable within the limited sphere of 7,000 national banks, it is much more desirable that the 18,000 State banks and trust companies should be included in any plan for concerted action or joint responsibility.

The general public is equally interested in an attempt to secure the solvency and efficiency of all financial corporations, whether created by national or State authority.

To find a method by which co-operation and unification of all the banking institutions of the country can be secured is to me a problem of greater perplexity than any other involved in the construction of a practical scheme for monetary reform. We assume that the participation of a bank in any scheme—and I use the word "bank" in its generic sense to include national and State banks and trust companies—must be the result of purely voluntary action on its part. Each individual bank of all classes must be satisfied that the interests of its stockholders and customers, as well as considerations of public policy, lead it to become a member of the general co-op-

erative association proposed. There must be no threats or anything which looks like duress upon non-assenting banks of any class.

Assuming, then, that a reserve association is to be formed of the character and for the purposes that I have outlined, and assuming also that it is desirable to include within its membership all the banks of the country, I have naturally been led to consider various methods by which this result could be accomplished. Among the various plans considered have been, first, one by which we should so liberalize the charters of national banks that they would be authorized to do all the classes of legitimate business which are now done by any banking institution, with the expectation that there would be a general surrender of State charters for the purpose of organization under national authority. This would involve either, allowing national banks to have a savings department, with segregation of assets and authority to receive savings and other time deposits, and with provisions regulating the character of investments and amount of reserves to be held, along the lines of the savings bank legislation of Massachusetts and New York; and another department which should do substantially the same business which is now done by trust companies, subject, of course, to proper limitations and restrictions, or a similar plan, with a similar purpose which would authorize the creation of two new classes of national banks, with distinctive names and characters, one of which should do the business of the character now carried on by State banks and savings banks, and the other class the business which is now transacted by trust companies.

After the most careful consideration of these several questions, which mean the gradual elimination of banking corporation acting under State charters, I have reached the conclusion that, in view of the diverse interests involved and the many grave objections which have been urged from every quarter, the obstacles in the way of the adoption of either of these plans are insuperable.

It is undoubtedly true that some of the provisions of law with reference to the functions of national banks should be modified to secure a reasonable enlargement of their powers and privileges in some directions, but I am satisfied that it is wholly impracticable to attempt any radical modification of the functions of national banks or the creation of any new classes of national banks for the purpose of supplanting or taking the place of institutions now operating under State charters. However desirable it might be from a theoretical standpoint to have all financial institutions acting under a national charter, subject only to national regulation or control, we are bound, in considering practical plans for legislation, to recognize conditions as they exist. There is no disposition on the part of the Monetary Commission to overlook or underrate the importance to the public of 18,000 banking institutions which have grown up under the laws of the various States and which are satisfactorily serving communities in every section of the country. I am convinced that the interests of the public and of the existing State institutions alike require that some means should be devised by which all classes should be permitted to participate upon some reasonable terms in the advantages and to share in

the responsibilities of ownership and management of the Association. How this can be accomplished in a manner which shall be fair to and answer the reasonable demands of all participating banks, without trespassing upon the rights and privileges of any, is the serious question that confronts us. If we concede that these State institutions are to be admitted to membership in the Reserve Association, to take part in its organization and to share in its advantages and privileges with national banks, their admission must be, of course, upon the terms and conditions and under limitations to be fixed by national legislation. I am not prepared to say at this moment what those terms and conditions should be. It seems to me, however, that there are certain conditions precedent to admission to and retention of rights of membership which are indispensable. Among these are:

First: That any participating trust company or other State institution must assent to the same examination and investigation of its condition by examiners appointed under national authority that is required of a national bank.

Second: That it should assent to the same terms with reference to the character and frequency of its statements of condition that are required of a national bank.

Third: That it must conform to reasonable requirements to be fixed by national law as to character and extent of reserves to be held as against its demand or other liabilities.

It is of the utmost importance in this connection that its deposit in the Reserve Association should be considered a part of its legal reserve. This latter provision, of course, would require co-operative legislation on the part of State legislatures before it could become operative. I can see no reason, however, why States should not be willing to permit these institutions to hold a portion of their legal cash reserves in the National Reserve Association.

It is important from my standpoint for reasons I have stated and to secure the greatest measure of the success of the plan which I have submitted that we should have the sympathy and participation of the trust companies of the United States, with their \$800,000,000 of capital and surplus and their vast and rapidly increasing resources. I trust, however, that you will pardon me if I suggest in this connection that every financial institution which appeals to the

community for confidence will be likely to seek membership in the Reserve Association because of the character and strength of the resources of the organization, its guarantees of safety, its advantages of support and assistance in time of need, and the prestige which must follow its successful operation.

I am anxious that the State banks and the trust companies of the country should appoint representative committees to confer with the National Monetary Commission in order that the recommendations of the Commission to Congress on this subject should be reasonable, and, if possible, satisfactory to all parties. The Currency Commission of the American Bankers Association has already appointed a sub-committee to consider this subject, and I believe their report will soon be made public.

"Trust Company Forms."

The selections cover all departments of the trust company, and it is believed offer practical "forms" for carrying out all of the various banking and trust functions which may fall to the lot of an active company.

The selected forms have been reproduced by photographic process (one-half the original dimensions), bound in full morocco, leather lining, gilt edges, in handsome and durable shape—11x14 inches in size—and are for sale to members of the Association for \$15 each, and to non-members at \$20. Some 550 different forms have been reproduced, making a book of 145 pages, fully indexed. Subscriptions may be sent to P. S. Batcock, Secretary Trust Company Section, 11 Pine Street, New York, who will forward book prepaid at once.

Special Notice.

It is felt that it will be of much value and interest to the members of the Section to have collected in the Secretary's office, samples of advertising matter used by trust companies throughout the country, such as pamphlets, booklets, newspapers, advertisements, etc. Members are, therefore, requested to send to the Secretary, at 11 Pine Street, such advertising matter as they may be using at this time so that they can be arranged in books or filing cabinets and be open to the inspection of trust company members who may call at the Secretary's office in New York.

The Executive Council of the Arizona Bankers' Association has selected Prescott, Arizona, as the place, and October 2-3 as the date, for holding the eighth annual convention.

The Territorial Good Roads Association will meet at the same place and time. The railroads in the territory will make reduced rates from all points and it is expected that the wagon road from Prescott to the Grand Canyon will be completed by that time. If such should be the case, an automobile trip from Prescott to the Grand Canyon, and return, will be part of the program. A cordial invitation is extended to all members of the American Bankers As-

sociation and sister associations to attend this convention. The address of the Secretary is Morris Goldwater, Prescott, Arizona, and he would be pleased to hear from any bankers who contemplate a visit to the territory, especially such as would care to address the convention.

At the convention of the South Carolina Bankers Association, held in April, the following officers were elected for the ensuing year: President, John M. Kinard, President Commercial Bank, Newberry; Vice-President, Emslie Nicholson, President Nicholson Bank & Trust Co., Union; Secretary-Treasurer, Lee G. Holleman, President Peoples Bank, Anderson.

SAVINGS BANK SECTION

THE WORK OF THE SAVINGS BANK SECTION OF THE AMERICAN BANKERS ASSOCIATION.*

By W. T. Ravenscraft, President Federal State and
Savings Bank, Denver, Colo.

I shall try and give you to-night a brief outline of some of the work undertaken and accomplished by the Savings Bank Section. However, in doing this, I shall dwell at more length on the particular work which the association is trying to do in regard to uniform savings bank laws.

The Savings Bank Section of the American Bankers Association owes its existence, primarily, to the efforts of the late William Hanhart, who served the Savings Section as Secretary from its organization until his death, in December, 1910. Mr. Hanhart and a small group of his friends founded the Section in 1902, and it has been largely due to his inspiration and activity that the Section has grown from a small and unimportant beginning to a membership of over 1,300 banks.

The general effort of the Section has been to get all the savings banks interested in whatever general improvement can be made in the administration of banks and the safe-guarding of deposits, so that the words "savings banks," wherever found, shall signify a bulwark of safety and strength.

I believe that if the Savings Bank Section had been in existence years ago and had had the time to accomplish more along the line on which it is now working, namely, "Better protection of savings deposits by uniform laws," the Postal Savings Bank would never have been thought of as a Government measure for this country, nor the statements made that savings were not as secure as they should be, and that savings bank facilities were not sufficient for our population.

Various committees have been and are now working for many improvements, through laws and otherwise, that will be of lasting benefit to the banks of the country. The efforts of the Association for several years to secure uniform laws have, as you know, worked much good through the Negotiable Instruments Law, which is now in very general operation.

Savings banks are greatly interested in subjects now receiving special attention, such as

Amortization of Bonds.

Independent Auditing.

Laws governing trust accounts, and joint and two-name accounts and accounts of minors.

New forms of partial payment real estate loans.

Better system and methods in the clerical work-

ings of the banks, and many other subjects which I will not mention here.

As I have already stated, the most important work to my mind, and the one likely to receive the most attention, since the Postal Savings Bank matter is disposed of, is **uniform laws governing the segregation of savings deposits and assets in banks doing other than a savings business, and the prescribing of certain classes of investments for savings banks.** The proposition is: Savings deposits in all banking institutions should be segregated from commercial and other deposits and invested in such classes of loans and securities as experience has shown to be amply safe, and that such investments should be held for the special benefit of the savings depositors.

In this connection, the point has often been raised as to **what constituted a savings deposit.**

First: The pass-book or other form of receipt must be presented whenever a withdrawal is made. Second: Such deposits are usually placed in the bank for an indefinite time and the right to require the bank to make payment on demand is waived by an understood time notice agreement, in return for which the bank agrees to pay a higher rate of interest than could be paid if the deposit was to be held ready to be returned to the depositor on demand. Third: That interest is credited only at the end of fixed periods and only upon such portions of the account as have remained in the bank for a certain length of time. **In all banks,** one or more of these conditions is stipulated in the rules governing savings deposits, but none of them are customary in receiving commercial deposits, whether time or demand, or in the issuing of ordinary certificates of deposit.

Time Certificates of Deposit do not come under the head of savings, as they are issued for a specified time and are due and payable at that time and not before. They are subject to the banks special agreements, usually printed on the certificate, and are really notes of the bank given for money borrowed from the depositor. They do not require notice of a wish to withdraw, neither can the bank issuing same demand notice under any condition if the certificate is due.

The next question naturally arising is "**why should special assets be set aside to secure these savings deposits?**" The main reason being that as notice of from 30 to 60 days or longer being required, it gave the depositor no option of drawing his money on demand as other depositors could do in institutions doing both classes of business, and in the interval elapsing between the notice and payment, the bank might pay out its commercial deposits and become embarrassed and the savings depositor would suffer, while the com-

mercial depositor was made safe through the use of the best assets of the bank.

Savings are made up to a large extent from the deposits of persons who desire to save a portion of their earnings but who do not have any means of discriminating as to the qualifications of those who have been able to command sufficient capital to secure from the State the right to conduct a banking business, their money being placed in a particular institution largely on faith, or by some special circumstance which may lead them to their bank. They know banks are chartered institutions and are looked after by the State and National Government, consequently they should be properly conducted by conservative officers who do all that should be done to protect and keep safe the money they entrust to them. All this being true, it seems but right and proper that such reforms and laws should be made and passed that will protect to a certainty these funds and minimize the chance of loss through error of judgment on the part of those who have been given the authority by charter to handle the savings of the public.

Four States, New Hampshire, Connecticut, Rhode Island and Massachusetts, have already enacted laws requiring institutions doing other than a savings business to segregate such deposits and protect them by loans and securities authorized for savings banks. The State of Vermont only allows its State banks to invest in such securities as are prescribed for the investments of savings banks and thus arrives at the same protection in another way. Within the last few years, Michigan, Ohio, Texas, Idaho and California have passed laws which accomplish about the same results, and Wisconsin has just recently required trust companies which receive time deposits to segregate them, but falls short in not prescribing the investments for such deposits.

Many bankers argue that such an arrangement would mean diminished earnings, but I am sure the depositor would say **safety first and profits afterwards**. Of course, the classes of investments likely to be prescribed would not be so readily convertible into cash, and for this reason the depositor has consented to a legal time notice which the bank can enforce in case of necessity, and it should be no reflection on the stability of any bank if for any good reason, it should be obliged to take advantage of this notice in order to protect its depositor and itself. Michigan was, I believe, the first State outside of New England to adopt the plan of segregation.

The California law, which was recently placed on the statutes of the State, provides that savings assets, commercial assets and trust assets be segregated, and that each department shall have a first lien on the assets of its own department; that the books be kept separate, the cash and bank accounts separate and that one department must deposit no funds with any other department; in other words, it is a department banking business wherever more than one class of business is done by the bank, and each department, whether commercial, savings or trust, must stand on its own foundation and be amenable to the law governing that class of business. Banks can be formed for any one purpose or for all three classes of business.

The Savings Bank Section is working toward the end that uniform laws throughout the Union should

be adopted, whereby savings depositors shall have the best protection obtainable, but while the segregation of deposits is largely favored, it is not without opposition. Bankers from many sections of the country think such a plan would interfere with and curtail their local loans and their profits, some going so far as to say it would put them completely out of business, but I think this is largely because it is not thoroughly understood, and the investigations of the committee have shown that the earnings of banks restricted as to investments have only been 2/5ths of one per cent. lower than the earnings of trust companies which have been entirely unrestricted.

Many western bankers, and particularly the bankers in the small towns and villages, are against it, but it does not appear that it has interfered with the business of banks located in the States where the law is in operation. Many think that a uniform law would mean the same prescribed investment throughout the country and that they could not make a living on their small deposits if made to invest in the same class of security that the large eastern or city banks hold. But the general idea is not uniform investments, but **uniform laws** to include savings deposits of either National banks, State banks, savings banks or trust companies, and with this end in view, the subject is under discussion in the committees of the National, Savings and Trust Sections; the different class of investments to be designated after due consideration by the different States so that savings, wherever located, will be protected by the best class of security obtainable in that particular section of the country. If, in some section, farm loans, cattle paper or some other classes of loans are the best that can be obtained, they can be used as security for these deposits.

The total savings bank deposits in the United States have doubled in twelve years. At the close of the fiscal year 1910, they were \$4,070,486,246, a high record, and an increase over 1909 of \$257,080,536. The number of depositors increased from 8,831,863 to 9,142,908 in the year, and the average account from \$420.45 to \$445.20.

Surely, such a large amount of savings, representing as it does to a large extent the hard work and sacrifices of one-tenth of the inhabitants of this country, needs the best protection that can be given it and the trustees who handle and invest it should welcome any improved method that will enable them to better perform and carry out the trust they assume when they receive such deposits.

Steady progress has been made during the past five years along protective lines, and although the interests of the banks of New England and the Pacific coast, the Northwest, the Middlewest and the Southwest are not one and the same, yet when it is understood that the committee of the Savings Section is not recommending a **schedule of investments** to be applied rigidly under widely differing conditions, but a **principal** to be worked out in detail in each State and section of the country in accordance with local standards, conditions and needs, I think it will meet with the approval of the large majority of bankers who handle the savings of the people and who are, almost without exception, desirous of putting their business on the highest plane possible.

*Address delivered before Denver Chapter, American Institute of Banking.

CLEARING HOUSE SECTION

NUMERICAL SYSTEM.

The "numerical system" for transit departments, which was evolved at a meeting of transit managers a few weeks ago, the details of which were worked out by a special committee, and a full report submitted to the Executive Council at the Nashville meeting, and by them unanimously approved, is meeting with much favorable comment and approval throughout the United States. The task of numbering 25,000 banks is no small one. The preparation of a "key" necessitates complicated work; and the special committee is to be complimented on the result it has attained. The "key" is being prepared by Messrs. Rand, McNally & Company, of Chicago, and will probably be ready for issuance during the present month.

The system was presented to the States which have recently held conventions—Texas, Oklahoma, Missouri, Kansas and Tennessee—and by them unanimously approved. In all likelihood other States with conventions to follow will take similar action.

To banks handling transit items in quantity, the system will prove a great saving in time and money. It will take some time for the banks of the country universally to adopt the system; and banks are urged to secure at a date as early as possible the numbers required to be printed on their checks and drafts.

SPECIAL EXAMINERS.

Rapid advancement is being made in the proposition for clearing houses to appoint special examiners, which movement has always received the hearty support of the Clearing House Section. The Section has made this a prominent feature for discussion on programmes at its meetings for the past three years; and has also given much publicity to the subject through printed matter. In addition to the cities already listed can now be added the city of New York and Oklahoma City. This was a most important move on the part of New York City, and will add much to the strength of the movement; besides placing New York in the front rank, where it belongs, as the financial center of the country.

Another important advance movement on the part of New York City was the admission of trust companies to the Clearing House. Some twenty trust companies are now planning for admission, several of them having already been voted in; and the balance will doubtless be approved by the New York Clearing House before the end of the month of June.

MORTUARY RECORD OF MEMBERS REPORTED DURING MAY.

Bowman, E. C.—Assistant to President Detroit Savings Bank, Detroit, Mich.
 Bryan, Burton G.—Treasurer Colonial Trust Co., Waterbury, Conn.
 Buchheit, William—President Bank of Watertown, Watertown, Wis.
 Burr, Halsey C.—President First National Bank, Ironton, Ohio.
 Chamberlain, Hon. A.—President Home National Bank, Meriden, Conn.
 Cole, T. B.—President Bank of Highgrove, Highgrove, Cal.
 Dickinson, Samuel—President Dickinson Trust Co., Richmond, Ind.
 Friederich, Peter—Vice-President German-American Trust Co., Denver, Colo.
 Hadley, Albert—President First National Bank, Whittier, Cal.
 Hadley, Seth S.—President S. S. Hadley Co., Bankers, Cedar Rapids, Neb.
 Heldritter, Frederick L.—President Elizabethport Banking Co., Elizabeth, N. J.
 Holmes, George M.—President Central National Bank, Norwalk, Conn.
 Hudson, Robert G.—Director Bankers Trust Co., Tacoma, Wash.
 Hull, Samuel—President Millbury National Bank, Millbury, Mass.
 Jones, Charles T.—President Merchants & Miners Bank, Oak Hill, W. Va.
 Kennedy, Frank P.—President Newark Trust Co., Newark, N. J.
 Lecouver, Robert—President First National Bank, Westwood, N. J.
 McEldowney, J. H.—Vice-President National City Bank, New York, N. Y.
 May, Frank P.—Director National Bank of Washington, Washington, D. C.
 Metzner, Oscar A.—Cashier German Insurance Bank, Louisville, Ky.
 Nelson, David—Secretary & Treasurer Hough Bank & Trust Co., Cleveland, Ohio.
 Tiebout, Cornelius H.—Vice-President Williamsburg Savings Bank, Brooklyn, N. Y.

STATE SECRETARIES SECTION

CONVENTIONS TO BE HELD IN 1911.

June	7- 8.	So. Dakota, Cataract Hotel, Sioux Falls.
"	8- 9.	Georgia .....Savannah
"	9-10.	Oregon .....Portland
"	12-14.	Idaho
"	13-14.	Pennsylvania .....Philadelphia
"	13-17.	Michigan .....Detroit and Buffalo
"	15-16.	Iowa .....Mason City
"	15-17.	California .....Lake Tahoe
"	15-17.	Virginia, Homestead Hotel, Hot Springs
"	17-18.	Maine, Congress Square Hotel, Portland
"	20-21.	Massachusetts, New Ocean House, Swamscott.
"	20-22.	Maryland .....Deer Park
"	21-22.	Connecticut, "The Griswold," Eastern Point, New London.
"	21-23.	Minnesota .....Bemidji
"	21-23.	No. Car., Lake Kanuga, Hendersonville
"	22-23.	New York State, Oriental Hotel, Manhattan Beach.
"	27-28.	North Dakota .....Fargo
July	6- 7.	Ohio.....Hotel Breakers, Cedar Point, Sandusky.
"	11-12.	West Virginia..White Sulphur Springs
"	12-13.	Wisconsin .....Milwaukee
Sept.	7- 9.	Amer. Inst., of Banking, Rochester, N. Y.
"	14-16.	Washington .....Wenatchee
Oct.	- -	Illinois .....Springfield
Nov.	- -	American Bankers Association.....St. Charles Hotel, New Orleans.

STATE CONVENTIONS HELD IN MAY.

LOUISIANA:

The convention of the Louisiana Bankers Association at Baton Rouge, May 2nd and 3rd, was largely attended by delegates and their ladies from all parts of the State as well as many visitors from different sections of the country.

The address of Welcome was delivered by Mayor Jules Roux, of Baton Rouge, which was responded to by R. N. Sims, of Donaldsonville.

President Albert Breton, Vice-President German-American National Bank of New Orleans, reviewed very fully the Guaranty of Bank Reposits, taxation, the work of the Bills of Lading Committee of the American Bankers Association, the National currency problem, and the work of the National Monetary Commission in conjunction with that of the Currency Commission of the American Bankers Association, and many other banking questions of the day.

W. B. Thompson, President of the New Orleans Cotton Exchange, delivered an address of an especially instructive character, taking for his subject "Spot Cotton Markets and the Future Contract Exchange,

Relation of Warehousing and Future Contract Trading to Safe Financing and Economic Marketing of the Crop." Other addresses on the program were by Horace L. Oakley, of Chicago, on "Municipal Bond Issues," and Charles C. Staitl, of Texarkana, Ark., on "What it Costs to Conduct the Business of a Bank." The Proposed Reserve Association of America and other banking topics were discussed.

The report of Secretary L. O. Broussard showed a total membership of 201 and that earnest efforts were being made to enroll the non-member banks, there being thirty-one National and 199 State banking institutions in Louisiana.

The entertainment features included a boat ride and visit to the Standard Oil Company plant, and to the Frisco and Southern Pacific inclines; also automobile rides, and a reception and ball at the University Pavillion.

The officers elected for the ensuing year are as follows: President, Paul Lisso, President First National Bank, Alexandria; Vice-President, Jos. Gottlieb, Vice-President Louisiana National Bank, Baton Rouge; Secretary, L. O. Broussard, President Bank of Abbeville, Abbeville; Treasurer, L. M. Pool, Active Vice-President Hibernia Bank & Trust Co., New Orleans.

FLORIDA:

The eighteenth annual convention of the Florida Bankers Association was held at Ocala, May 10th-11th, at which there was a large attendance.

Following the address of welcome and response thereto, President C. W. Lamar, of Pensacola, made his annual address, in which he treated live questions of the day pertaining to banking and many features in conjunction therewith.

The report of Secretary-Treasurer George R. De Saussure showed the Association to have prospered during the past year, and a steady growth in the membership.

In addition to the regular addresses on the program, the members discussed different phases of the Currency question and State requirements.

Nominations for offices in the American Bankers Association were made as follows: Member of the Executive Council, John T. Dismukes, President of the First National Bank, St. Augustine; Vice-President from Florida, T. T. Munroe, of the Munroe & Chambliss Bank, Ocala; Member of the Nominating Committee, C. W. Lamar, President American National Bank, Pensacola.

The entertainment included an automobile ride to Lake Weir, at which point motor boats conveyed the party to Eastlake. On Thursday evening a banquet was given at Ocala, at which Judge W. S. Bullock acted as toastmaster.

The officers elected for the ensuing year are as follows: President, F. F. Bardin, Vice-President State Exchange Bank, Lake City; First Vice-President, T. L. Clark, President Farmers & Merchants Bank, Monticello; Secretary and Treasurer, George R. De Saussure, Vice-President Barnett National Bank, Jacksonville.

MISSISSIPPI:

The Mississippi Bankers Association held its twenty-third annual convention at Greenwood, May 10th-11th, and the attractive program provided brought out a banner attendance.

Mayor G. L. Ray, of Greenwood, welcomed the visitors, and C. H. Williams, President of the Bank of Yazoo City, made the response; following which President B. W. Griffith, of Vicksburg, made his annual address.

Among the addresses delivered were the following: "The American Bankers Association," F. O. Watts, of Nashville, President of the American Bankers Association; "Needed Bank Legislation," Thomas B. Paton, of New York City, General Counsel of the American Bankers Association; "The Farmer and the Banker," J. W. McGrath, President Commercial Bank of Brookhaven.

A very valuable and interesting feature of the convention was discussions on the "Aldrich Plan," "Needed State Legislation," "Relationship of the Banker to the Farmer," and different phases of "social features" in connection with State conventions.

The reports of Secretary Rich. Griffith and the various committees made a good showing of the work accomplished during the past year.

The entertainment features included a reception at the residence of Dr. T. R. Henderson, an automobile trip to Sumner, where a barbecue was served in the park; and ball games and other athletic sports took place. A smoker was given at the Elks Club in Greenwood.

At the close of the convention a magnificent silver service was presented to the retiring President, B. W. Griffith, who has been affiliated with the Association and one of its most indefatigable workers since its organization in 1889. Mr. Griffith was the first Secretary of the Association and held that office up to last year, when he was elected to the presidency.

The officers elected for the ensuing year are as follows: President, C. H. Williams, President Bank of Yazoo City, Yazoo City; Vice-President, O. B. Quin, Vice-President First National Bank, McComb City; Secretary and Treasurer, R. Griffith, Cashier City Savings & Trust Co., Vicksburg.

NEW JERSEY:

The New Jersey Bankers Association held their eighth annual convention at Atlantic City, May 12th-13th. The Hotel Chelsea was headquarters, in the music room of which hotel the business sessions were held.

President Adrian Lyon called the convention to order, and the Invocation was pronounced by Rev. James McLeod, D.D., of Cape May, N. J. Senator Walter E. Edge, from Atlantic county, made the ad-

dress of welcome, which was responded to by President Lyon.

The following addresses were delivered: "State Banking Department," Hon. Vivian M. Lewis, Commissioner of Banking and Insurance of New Jersey; "Some Standards for Examinations by Directors," E. T. Perline, formerly Deputy Comptroller of the State of New York and Vice-President Windsor Trust Co., New York; "The New Jersey System of Group Bank Examinations," A. A. Benton, of Marwick, Mitchell & Co., New York City; "Banking and Currency Reform," Congressman Edward B. Vreeland, Vice-President National Monetary Commission; "Adjustment," Hon. Elmer H. Geran, member of Assembly, New Jersey.

The reports of Secretary William J. Field and the Executive Committee showed continuous growth in the membership, and the Fidelity Bond and Burglary Insurance Department.

The reports of the various committees demonstrated the fact that the work accomplished during the past year in different lines of Association work was eminently satisfactory.

The eighth annual banquet of the Association was served on Friday evening, President Lyon acting as toastmaster. Among the speakers of the evening were the following: Hon. Charles Nagel, Secretary of Commerce and Labor, Washington, D. C.; Hon. William H. Speer, Judge of Circuit Court, Jersey City; Dr. Austin Scott, Rutgers College, New Brunswick, N. J.; Hon. Frank Bergen, General Counsel for the Public Service Corporation of New Jersey, Newark.

Adrian Lyon, the retiring President, was nominated as Vice-President for New Jersey. U. H. McCarter, of the Fidelity Trust Co., Newark, for Vice-President of the Trust Company Section, and C. H. K. Halsey, President Union Trust Co., Elizabeth, member of the Nominating Committee of the American Bankers Association.

The officers elected for the ensuing year are as follows: President, H. H. Pond, Secretary and Treasurer Plainfield Trust Co., Plainfield; Vice-President, W. M. Van Deusen, Cashier National Newark Banking Co., Newark; Secretary, William J. Field (re-elected), Secretary and Treasurer Commercial Trust Co., Jersey City; Treasurer, B. H. Minch, Vice-President Bridgeton National Bank, Bridgeton.

OKLAHOMA:

The fifteenth annual convention of the Oklahoma Bankers' Association, held at Oklahoma City, May 22d, and 23d, was attended by more than fifteen hundred people, or twice as many as the highest record in the past. The gathering was harmonious throughout but intense interest attached to the discussion of the guaranty law.

The address of President J. B. Ferguson, at the opening session, showed the Association to be in a very flourishing condition, with a good deal of important work accomplished during the year just closed. Among the achievements of the year was the new banking law which, to a large measure, divorces the banking business of the State from politics, a relation that has obtained in the past to the injury of the banks, especially in the handling of the guaranty fund.

Secretary W. B. Harrison's report showed 373 member banks and 46 non-members. He stated that an effort will be made the coming year to make the membership unanimous. Treasurer J. M. Browning reported \$5,534 in the treasury.

A number of able addresses were given, among them one by George B. Harrison, Jr., of Kansas City, Mo., on the present financial situation, in which the speaker advised Oklahoma bankers to go forward with caution, but not to take a pessimistic view, as the Southwest is certain to progress gradually if not rapidly during the next year.

C. W. Allendoerfer, Assistant Cashier of the First National Bank of Kansas City, gave a very instructive address on the plan of organization of the Aldrich National Reserve Association idea. Mr. Allendoerfer illustrated his address with a large chart that was very illuminating.

The numerical transit system was explained and its merits presented by C. J. Grant, Auditor of the American Exchange National Bank of Dallas. Later a resolution was adopted pledging the Association to investigate the new system and to adopt it if found feasible.

Governor Lee Cruce and J. C. McClelland, Chairman of the State Banking Board, addressed the convention on the handling of the guaranty fund, and frankly replied to all questions asked. The State bankers feel that the heavy assessments caused by mistakes of the former board will not be repeated by the new management. Some lively discussion was had on this subject, but the bankers went away feeling much better than they came.

Following are the officers chosen for the ensuing year: President, T. J. Hartman, Sulphur; First Vice-President, Asa E. Ramsey, Muskogee; Second Vice-President, G. E. Davis, Blackwell; Treasurer, I. H. Nakdimen, Sallisaw; Secretary, W. B. Harrison, Enid.

TEXAS:

The attendance at the twenty-seventh annual convention of the Texas Bankers Association, at Dallas, May 16th-18th, was unusually large, over 1,500 having registered.

The invocation was pronounced by Rev. W. M. Anderson of the First Presbyterian Church. The addresses of welcome were made by Mayor Holland and Judge George W. Riddle, President of the First State Bank, Dallas, which were responded to by Judge O. E. Dunlap.

President W. H. Fuqua in his annual address spoke on the Crop and Financial Conditions of the State, The Mexican Situation, Bank Examinations, Postal Savings Banks, Transportation, The Panama Canal, Aldrich Currency Plan, and the prosperity of the Association.

The program of other addresses is as follows: "Safeguards Against Recurring Panics," George M. Reynolds, President Continental and Commercial National Bank, Chicago, Ill.; "The American Bankers Association" and "Clearing House Examinations," C. H. Huttig, President Third National Bank, St. Louis, Mo., and Chairman Executive Council American Bankers Association; "The Aldrich Plan," J. T. Scott, Vice-President First National Bank, Houston.

At the close of Mr. Scott's address, the following resolution, presented by Judge Dunlap, was adopted:

"Whereas, a necessity exists for a revision of our currency system, as we think is apparent to all who have given this subject study and investigation;

"Therefore, be it resolved by the Texas Bankers Association, in convention assembled, that we approve the fundamental principles of the Aldrich plan, with such amendments as have been proposed by the Currency Commission of the American Bankers Association."

"Cotton Accounts," Nathan Adams, Cashier American Exchange National Bank, Dallas.

At the close of his address, the following resolution, presented by Mr. Adams, was adopted:

"In view of the fact that bills of lading are used as collateral to a great extent, and the sale of foreign exchange hinges largely on bills of lading as collateral in the movement of the cotton crop,

"Be it Resolved, by the Texas Bankers Association, now in session, that we heartily indorse the Stevens bill covering the liability and fixing the responsibility of railroads for the acts of their agents, and earnestly request every representative in Congress to support the bill and urge its passage."

"State Banks and the Laws Controlling Them and Suggestions as to Their Conduct," Hon. B. L. Gill, State Banking Commissioner, Austin; "The Profession of Banking," F. M. Law, Cashier First National Bank, Beaumont; "Banking Conditions in the Southwest," George B. Harrison, Jr., Cashier New England National Bank, Kansas City; "Successful Country Bankers," W. O. Jones, Assistant Cashier National Park Bank, New York City.

C. J. Grant spoke on the numerical system of letters and numbers for transit departments, as promulgated and recommended by the Clearing House Section of the American Bankers Association. This system was unanimously adopted by the Texas Association, and certain minor changes will be made in the numerical system now in vogue in Texas to conform with that of the plan of the National Association.

Remarks were also made by Governor Colquitt, Colonel Henry Exall and J. Hirsch.

The work of the secretary's office has increased to such an extent during the past year that Secretary J. W. Hoopes has established permanent headquarters. As shown by his report the membership of the Association has increased 107, making the total membership 1,193. The results attained in the protective department, bond and insurance business, group system, legislation and other features of Association work, have been eminently satisfactory.

The entertainment features were of a diversified and enjoyable character.

The officers elected for the ensuing year are as follows: President, William R. Hamby, President Citizens Bank & Trust Co., Austin; Vice-Presidents, selected from each of the seven Group Organizations; Secretary, J. W. Hoopes, Vice-President Austin National Bank, Austin; Treasurer, Thomas F. Rodgers Denison, Cashier First National Bank of Collinsville; Assistant Secretary, D. W. Cooley, Assistant Cashier Union National Bank, Houston.

MISSOURI:

The registration at the twenty-first annual convention of the Missouri Bankers Association at Kansas City, May 24th-25th, was close to 1,800, the headquarters being at the Hotel Baltimore.

The attendance at the business sessions, which were held at the Willis Wood Theatre, was the largest in the history of the Association.

The convention was called to order by President A. O. Wilson, and the invocation pronounced by Rev. J. B. Silcox, Pastor Westminster Congregational Church, Kansas City. Addresses of welcome were made by Hon. Darius A. Brown, the Mayor of Kansas City, in behalf of the city, and J. F. Downing, President Kansas City Clearing House, in behalf of that institution. President Wilson made the response to the addresses of welcome; and in his annual address, which followed, reviewed the growth and prosperity of the State, in which the Association, since its organization, in 1891, had kept apace. E. R. Gurney, Vice-President First National Bank, Fremont, Nebraska, and member of the Executive Council of the American Bankers Association, delivered an address, entitled, "A Study in Liquidation."

The report of Secretary W. F. Keyser, of Sedalia, covered very fully the work of the Association during the past year and the excellent results accomplished thereby. The membership of the Association is 1,320, an increase of 47 over a year ago; and as the membership at that time included every banking institution in the State, the only source of increase would be from the organization of new banking institutions; 47 banks and trust companies were organized during the year, so that the Association has a solid membership.

The report of Treasurer R. R. Calkins and the reports of the chairmen of the various Groups were also submitted at this session.

In the afternoon the Missouri and Kansas Associations, jointly, were entertained by the Kansas City Clearing House Association, many social features of an enjoyable nature being provided. In the evening the joint meeting of the Missouri-Kansas Associations was held.

At Thursday's session the reports of the Group secretaries and the committees of the Association were submitted and other routine business transacted.

The addresses delivered were as follows: "Am I My Brother's Keeper?" Judge Charles E. Lobdell, President First State Bank, Larned, Kans.; "International Commerce," Hon. Wm. H. Burges, El Paso, Tex.; "Some Recent Legislation," Judge I. P. Ryland, Kansas City. Following this address, Judge Ryland discussed certain legal questions.

The Association indorsed the underlying principles of the Aldrich currency plan and the numerical system recommended by the Clearing House Committee of the American Bankers Association.

The members of the American Bankers Association present at the convention made the following nominations: C. G. Hutcheson, Cashier First National Bank, Kansas City, for member of the Executive Council; Henry L. Rozler, Banker, Ste. Genevieve, for Vice-President from Missouri, and H. W. Harris, President Third National Bank, Sedalia, for member of the Nominating Committee.

The officers of the State Association elected for the ensuing year are as follows: President, A. H. Waite, President Joplin National Bank, Joplin; Vice-President, R. R. Calkins, Vice-President German-American National Bank, St. Joseph; Secretary, W. F. Keyser, Sedalia; Treasurer, J. B. Jennings, Vice-President Mechanics Savings Bank, Moberly.

KANSAS:

The twenty-fourth annual convention of the Kansas Bankers Association was called to order in the Masonic Temple, Kansas City, by President W. H. Burks, at ten o'clock on Wednesday morning, May 24th. The Rt. Rev. John Ward, Bishop of Leavenworth, pronounced the invocation.

The delegates were welcomed to Kansas City by Judge Richard J. Higgins, Counsellor, of Kansas City; and Hon. W. Y. Morgan, State Exchange Bank, Hutchinson, made the response.

The annual address of President Burks was followed by an address by Hon. J. N. Dolley, Bank Commissioner, Topeka, entitled "The Times."

The appointment of various committees completed the business of the morning session. The afternoon was devoted to visitation and recreation by both the Kansas and Missouri Associations, special forms of entertainment being provided for both ladies and gentlemen.

Wednesday evening the joint meeting of the two Associations was held.

The second session of the convention was held on Thursday morning, May 25th, the Rev. John Score, Pastor of the Seventh Street M. E. Church, Kansas City, pronouncing the invocation.

Addresses were delivered as follows: "The Country Banker the Community Counsellor," Hon. Scott Hopkins, Prudential Trust Co., Topeka; "Proper Functions of a Bankers' Association," Hon. J. P. Hinton, Hannibal National Bank, Hannibal. The Deputy Bank Commissioners of the State made brief addresses on the subject "Things Revealed in Bank Examinations Most Commonly the Subject of Criticism." In the afternoon brief addresses were made by local bankers on different phases which confront bank officers in their everyday duties.

The reports of Secretary W. W. Bowman and other officers, as well as the committees of the Association, showed that the progress made during the past year in all lines of Association work was very satisfactory.

The proceedings were interspersed with vocal solos and chorus in songs, written for the occasion, which proved to be quite an enjoyable feature and was very much appreciated.

The Building and Loan Section of the Association also held meetings on Wednesday and Thursday, and in addition to the routine business transacted, several addresses were made apropos of matters which come within the scope of the building and loan section.

The officers of the Association elected for the ensuing year are as follows: President, J. R. Lindburg, President First National Bank, Pittsburg; Vice-President, M. H. Mallott, President Citizens Bank, Abilene; Secretary, W. W. Bowman, Topeka; Treasurer, E. E. Mullany, Cashier Farmers & Merchants Bank, Hill City.

Missouri-Kansas Joint Meeting.

The joint meeting of the Missouri and Kansas Bankers Associations at Convention Hall, Kansas City, Mo., on Wednesday evening, May 24th, was a pronounced success.

Owing to the national prominence of the speakers, the large gathering of delegates to both Associations attending this meeting naturally anticipated a great oratorical treat, and their expectations were fully realized.

The addresses delivered were as follows: "Kansas from the Viewpoint of a Missourian," Hon. David R. Francis, Vice-President Merchants Laclede National Bank, St. Louis, and ex-Governor of Missouri; "Missouri from the Viewpoint of a Kansan," Hon. W. J. Bailey, Vice-President Exchange National Bank, Atchison, and ex-Governor of Kansas; "Banking and Currency Reform," Hon. Franklin MacVeagh, Secretary of the Treasury, Washington, D. C.; "The American Bankers Association," Hon. F. O. Watts, President First National Bank, Nashville, Tenn., and President American Bankers Association.

On Thursday evening the delegates and visitors of both Associations were entertained at Electric Park, tickets to all the concessions being provided. The German Village, located in the park, was reserved that evening for their exclusive use; luncheon was served and the delegates and visitors entertained with a high-class vaudeville performance. At eleven o'clock the guests visited the concessions and attended a dance at the dance pavilion, which was also reserved.

TENNESSEE:

The 473 banks in the State were practically all represented at the twenty-first annual convention of the Tennessee Bankers Association, at Nashville, May 29th-30th. There were also in attendance many leading bankers from different sections of the country; special interest being manifested in the meeting owing to the fact that the principal addresses and discussions would be on pending monetary legislation and the Aldrich plan as modified and endorsed by the Currency Commission of the American Bankers Association.

The convention was called to order at ten o'clock Monday morning in the Warner Auditorium of the Y. W. C. A., by President D. M. Armstrong, of Memphis. After the invocation by Dr. James I. Vance of the First Presbyterian Church, James T. Howell, President of the Cumberland Valley National Bank, extended an address of welcome in behalf of the Nashville bankers and citizens generally, the response to which was made by J. F. Brownlow of the Maury National Bank of Columbia.

President Armstrong, in his annual address, congratulated the Association upon its growth and increasing usefulness; out of a total of 473 banks in the State 460 were members. In talking on the monetary system he said there was no question before the American people to-day which more urgently called for solution; and that no part of the United States was more vitally concerned in monetary legislation than the South.

Mr. Armstrong paid a glowing tribute to the work of the American Institute of Banking Section of the American Bankers Association in providing opportunities for bank clerks to study practical banking.

The reports of Secretary F. M. Mayfield, of Nashville, and Treasurer Neill Wright, of Huntington, and of the other officers and committees showed very gratifying results of the work done during the past year.

The principal address of the morning was that delivered by John Perrin, of the Fletcher-American National Bank of Indianapolis, and member of the Currency Commission of the American Bankers Association. The subject of his address was "The Aldrich Plan for Monetary Legislation." Mr. Perrin pointed out the following three essential elements which are lacking in the present banking system: First—An adequate restraint upon undue expansion of credit under normal conditions, and the means for an immediate large expansion of credit in a crisis. Second—Mobility of credits. Third—Flexibility in the volume of currency and its automatic expansion and contraction according to the fluctuating requirements of trade." After illustrating each of these points the speaker talked at length on the National Reserve Association as suggested in the Aldrich plan.

At the conclusion of Mr. Perrin's address, F. O. Watts, of the First National Bank, Nashville, and President of the American Bankers Association, offered a resolution endorsing the Aldrich plan for monetary legislation as modified by the Currency Commission of the American Bankers Association; which resolution was unanimously adopted by a rising vote.

Monday afternoon the meeting of the State Banking Section of the Association was held, at which reports were submitted by the officers and committees.

On Monday evening an open-air banquet was tendered to the visitors, local bankers and bank clerks, and their wives, at the Golf and Country Club, by the Clearing House Association. The banquet, which was informal, was thoroughly enjoyed by the five hundred guests present.

Owing to the extreme heat, Tuesday morning's session was held at the Golf and Country Club, special cars conveying the delegates to the Club. The principal address at this session was that of the Hon. William Livingstone, President of the Dime Savings Bank of Detroit, and Vice-President of the American Bankers Association, whose subject was "The American Bankers Association."

Following Mr. Livingstone's address ten-minute speeches were made on general conditions by one banker from each congressional district. Reports were also submitted by Committees of the Association; and other routine business transacted.

The visitors attended a base ball game in the afternoon and the Fifth Avenue and Grand Theatres at night.

J. L. Hutton, of Columbia, was nominated for Vice-President of the American Bankers Association from Tennessee.

The officers of the State Association elected for the ensuing year will be published in the July issue of the Journal.

STATE CONVENTIONS—ADVANCE PROGRAMS. NEW YORK STATE:

The eighteenth annual convention of the New York State Bankers Association at Manhattan Beach June 22nd-23rd promises to be exceptionally interesting, both in its business and entertainment features.

Headquarters will be at the Oriental Hotel, where the meetings will also be held.

At the business sessions of the convention, emphasis will be given to the question of Currency Reform, and especially as the problem relates to the various classes of Banking Institutions. Serious consideration will be given the plan proposed by the Currency Commission of The American Bankers Association, which proposes to extend to the Trust Companies, State Banks and Savings Banks the privileges of the "Aldrich Plan."

The program is as follows:

THURSDAY MORNING—Address, "Progress in Banking," Joseph T. Talbert, Vice-President National City Bank, New York; "Discussion of the 'Aldrich Plan' as Related to National Banks," remarks limited to five minutes; "Discussion of the 'Aldrich Plan' as Related to State Banks," remarks limited to five minutes. **THURSDAY AFTERNOON**—Trip around Manhattan Island by Steamer. **THURSDAY EVENING**—Annual banquet. Guests: President Taft, Mgr. Edward W. McCarty, Hon. Martin W. Littleton and Charles F. Moore. **FRIDAY MORNING**—Address, "The Proposed Participation of Trust Companies in the National Reserve Association," Wm. C. Poillon, President Mercantile Trust Company, New York, remarks limited to five minutes; "Discussion of the 'Aldrich Plan' as Related to Trust Companies," remarks limited to five minutes; "Discussion of the 'Aldrich Plan' as Related to Savings Banks," remarks limited to five minutes. **FRIDAY AFTERNOON**—Aeroplane Flight; trip through Luna Park, with admission to its attractions. **FRIDAY EVENING**—Illumination, pyrotechnics and music; dancing at the hotel after ten o'clock. **GOLF AND TENNIS**—A Golf and Tennis Tournament for ladies and gentlemen will be held on both days of the convention. It will be necessary to file an entry with the secretary before competing. The Dyker Heights Country Club, the Marine and Field Club, and the Crescent Athletic Club have extended the courtesy of their links and tennis court for the tournaments. The committee especially desires the presence of ladies at the convention, the banquet, and all other entertainments.

CALIFORNIA:

The seventeenth annual convention will be held at Tahoe Tahoe on the picturesque shores of Lake Tahoe, June 15th-17th. The business sessions will be held in the assembly room.

The opening session will be held Thursday forenoon, adjournment being taken until evening so that during the afternoon of the first day the visitors will have an opportunity to take short trips on the lake and vicinity and to participate in the entertainment provided for them.

Thursday evening will be given up to a consideration of Currency Legislation. Stoddard Jess, of Los Angeles, will read a paper on the "Aldrich Plan."

This will precede an address on that topic by John Perrin, of Indianapolis, a member of the American Bankers Association Currency Commission.

Friday forenoon and afternoon will be devoted to two business sessions. Hon. W. R. Williams, State Superintendent of Banks, will speak on "Banking Laws and Supervision of Banks." State Treasurer E. D. Roberts will make a short address on "Depositing State Funds in Banks." J. G. Spangler, President of the Arizona Bankers Association, will speak concerning the "Relationship between the Bankers of Arizona and California." It is expected that W. J. Harris, President Nevada Bankers Association, will also contribute a number to the program. Geo. E. Allen, Educational Director American Institute of Banking, will explain the educational work of that organization. It is quite likely that Hon. Geo. E. Roberts, Director of the Mint, will attend the convention, in which case he will contribute an address.

The entertainment provided is of a most attractive character and will include steamer trips around the lake, drives, fishing, bowling, etc. A number of launches on the lake will be at the disposal of the visitors. A ball will be held on Friday evening.

MINNESOTA:

The program of the twenty-second annual convention at Bemidji, June 21st, will include addresses on present-day banking questions by prominent local bankers.

The entertainment features include a "Pike Dinner" at Diamond Point on Lake Bemidji, following which there will be automobile and launch trips around the lakes. A visit will also be paid to the International Falls, and from there a boat trip will be taken on Rainy Lake.

PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS.

North Dakota Bankers Association,

Office of the Secretary.

Fargo, N. D., May 20, 1911.

BULLETIN NO. 116.

Time Certificate No. 1606, issued by the Bank of Neche, for \$2,500, in favor of Thomas Wolford, is reported lost or stolen. Kindly notify this office if it should be presented for payment.

Members will no doubt note that the Supreme Court recently decided in favor of the constitutionality of the Corporation Tax, which means that the tax will have to be paid in all cases. The form of protest referred to in Bulletin No. 111 will therefore not be sent out during the month of June.

You are again notified in reference to the swindler who represents himself as general agent for one of the trust companies and claims to be establishing agencies for the placing of farm loans. This swindle is now being worked by a man giving the name of James T. Strong, who represents himself as agent for the New Orleans Home Trust Co. He is described as follows: Age about 65; weight about 160; color of hair, very gray; height, 5 ft. 6 in.; build, heavy set; style of beard, short mustache; has the habit of blinking his eyes while talking and walks as though one leg were shorter than the other. He carries blank applications and makes his scheme look quite plausible. After drawing up papers to establish the agency of his company he invariably gets a small check cashed which, of course, turns out to be

fraudulent. A reward of \$50 is offered for the apprehension and conviction of Strong. Please wire this office promptly if he makes his appearance.

Many petty fraudulent schemes are reported and members are warned to be on their guard all the time.

Montana Bankers Association,
Office of the Secretary.

Lewistown, Mont., May 6, 1911.

WARNING NO. 115.

Look out for party giving name of Wm. White, checking on Bank of Musselshell. Now has check book of Sweet Grass Banking Co. Both banks advise his checks worthless. Described as about 5 ft. 10 in. high; weight about 180 lbs.; age about 32; wears black broad brim hat. Thought to be headed for Cut Bank and Northern Montana.

Missouri Bankers Association,
Office of the Secretary.

Sedalia, Mo., May 16, 1911.

\$50 REWARD.

A member of this Association at Fortuna, Mo., reports that it has been defrauded by a man giving the name of James T. Strong, who is described as follows:

Residence claimed to be Springfield, Mo.; occupation, farm loans; age, about 65; weight, about 160; color of hair, very gray; height, 5 ft. 6 in.; build, heavy set; style of beard, short mustache. Remarks: Had the habit of blinking his eyes while talking; walked as though one leg were shorter than the other; wore black clothes.

Strong represented himself to be an agent for "The New Orleans Home Trust Company" and claimed to be establishing agencies to make farm loans for that company. He carries blank applications, etc., and makes his scheme look plausible. Strong persuaded our member to make application for the agency and then succeeded in cashing a check which purported to be drawn by The New Orleans Home Trust Company, payable to James T. Strong, General Agent, and signed by H. H. Moore, President. The check was protested, the bank being advised that no such trust company existed in New Orleans. Strong was seen in company with a tall, slim person wearing dark clothes and gray hat. The two may be working together.

This man is evidently prepared to swindle other banks in the same manner. Look out for him and all others with fraudulent schemes.

For the apprehension and conviction of Strong, the Missouri Bankers Association offers a reward of fifty dollars (\$50). Reward to remain in force for one year from date of this notice and to be paid under the rules of the Missouri Bankers Association.

If Strong makes his appearance, arrest him and wire this office and the sheriff of Moniteau county, California, Missouri.

The Wyoming Bankers Association,
Office of the Secretary.

Rock Springs, Wyo., May 18, 1911.

LOOKOUT LETTER NO. 36.

You are again warned to look out for the smooth individual who represents himself as a prospective purchaser of a farm. He asks to be shown lands in which banks are interested and goes through the form of selecting and purchasing a piece of land, leaving drafts in payment and all papers with the bank, until the drafts are paid, but before leaving, gets a check for from \$200 to \$300 cashed which is of course all he is playing for.

A bank in North Dakota has just been defrauded by this plan by a man signing himself Howard E.

Miller. He is described as from 37 to 38 years old, weight about 200 lbs., smooth face, brown wavy hair, slightly gray at temples, height about 5 ft. 10 in., well dressed and a smooth talker. Since making a touch in North Dakota we have advice that he has worked the same deal in Kansas, Florida, Texas and Oklahoma under the name of Farnsworth, and he may come back to North Dakota.

You are warned to be on the lookout at this season of the year for bank burglars. Two noted "yeggs" "Carroll," alias Chambers, Crawford, Carlisle, and his pardner "Reid," alias J. C. Miller, recently arrested at Marysville, Kans., who were at the head of a gang which is said to have robbed some thirty-two banks in Kansas, Nebraska and Oklahoma within a period of six months, escaped from jail recently and are again at large. It is believed that these men will head for the Northwest and members should be on the lookout for them. Rewards aggregating \$1,000 each or \$2,000 for both are offered for the arrest and conviction of these men and it is hoped that they will be recaptured before they reach our territory.

Time Certificate No. 950, issued by the Citizens National Bank, Hankinson, N. D., in favor of J. H. Polhamus for \$1,000 has been lost or stolen. Notify this office promptly if same is presentend for payment.

Look out for party giving name of Wm. White, checking on Bank of Musselshell. Now has check book of Sweet Grass Banking Co. Both banks advise his checks worthless. Described as about 5 ft. 10 in. high, weight about 180 lbs., age about 32, wears black broad brim hat. Thought to be headed for Cut Bank and Northern Montana.

One of our members on the line of the Union Pacific reports that during the past week they have received through Cheyenne four checks, two for \$10 and two for \$15 respectively, drawn by a person signing himself N. Lewis, G. W. Davis and A. L. Norman; all evidently the work of one person. One of \$10 was cashed at Yegen Bros., Bankers, Gardner, Mont., signed S. W. Davis in favor of Lawrence Link, and one for \$15 was cashed at the National Bank of Gallatin Valley, Bozeman, Mont., signed A. L. Norman. Two of these checks were drawn on blanks of the Wyoming bank reporting, but the last two bear the name of the bank at which cashed, scratched out and the name of the Wyoming bank substituted. It is suspicioned that this fraud is committed by a man who formerly worked in a clothing store at Laramie, by name of Norman. He is described as being tall and thin, with sallow complexion and dark hair and eyes. He writes a flowing hand with rather a large signature and most of his checks are labeled "for cash." The last two checks were made out in indelible pencil; the previous ones having been in ink.

One of our members reports that a man by name of Tom Sarkis has forged the name of a friend to checks aggregating \$55.

Sarkis is described as follows: Syrian, about 5 ft. 8 in. in height, weighs 150 lbs., complexion very dark, has curly hair, face pimpled, same appearing red after shaving. He is stated to have acquaintances among his countrymen at Green River, Rock Springs, Rawlins, Hanna, Laramie and Cheyenne. He is somewhat of a sport and is reported to gamble.

REGISTRATION AT OFFICES.

THE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of May:

- N. P. Gatling, Assistant Cashier Chatham & Phenix National Bank, New York, N. Y.
 William Justus Boles, Evening Post, New York, N. Y.
 E. J. Buck, President City Bank & Trust Co., Mobile, Ala.
 A. H. Chandler, Treasurer Bellows Falls Trust Co., Bellows Falls, Vt.
 F. H. Watriss, New York, N. Y.
 Oliver C. Fuller, President Wisconsin Trust Co., Milwaukee, Wis.
 H. D. Bowman, President The Bowman Bank & Trust Co., Las Cruces, N. Mex.
 Col. F. H. Fries, President Wachovia Bank & Trust Co., Winston-Salem, N. C.
 Isaac H. Orr, Trust Officer St. Louis Union Trust Co., St. Louis, Mo.
 John Perrin, Chairman of Board Fletcher American National Bank, Indianapolis, Ind.
 Thomas B. Pratt, Wall Street Journal, New York, N. Y.
 W. V. Davis, Vice-President Savannah Trust Co., Savannah, Ga.
 W. R. Craven, Secretary Dayton Savings & Trust Co., Dayton, Ohio.
 P. J. Darling, Secretary Superior Savings & Trust Co., Cleveland, Ohio.
 J. J. Sullivan, President Superior Savings & Trust Co., Cleveland, Ohio.
 William Livingstone, President Dime Savings Bank, Detroit, Mich.
 Col. John F. Bruton, President First National Bank, Wilson, N. C.
 Chas. A. Ruggles, Manager Boston Clearing House, Boston, Mass.
 H. C. Bayliss, Cashier Bergen County Bank, Rutherford, N. J.
 F. J. F. Thiel, Secretary to Treasurer of United States, Washington, D. C.
 Lucius Teter, President Chicago Savings Bank & Trust Co., Chicago, Ill.
 John F. Hagey, Assistant Cashier First National Bank, Chicago, Ill.
 Pierre Jay, Vice-President Bank of the Manhattan Company, New York, N. Y.
 H. L. Rummel, President Mercantile Trust Co., Little Rock, Ark.
 C. H. Stout, Vice-President Manhattan Trust Co., New York, N. Y.
 Edwin Chamberlain, Vice-President San Antonio Loan & Trust Co., San Antonio, Tex.
 W. A. Ellis, Assistant Secretary Security Savings Bank, Los Angeles, Cal.
 James N. Taylor, Attorney at Law, New York, N. Y.
 H. P. Price, Cashier National Bank of Norwalk, Norwalk, Conn.
 Jos. W. Heffernan, Cashier The Hibernia Bank, Savannah, Ga.
 Miles C. Moore, President Baker-Boyer National Bank, Walla Walla, Wash.
 C. P. Harris, Cashier First National Bank, Westport, Conn.
 Howard Cline, Fulton Trust Co., New York, N. Y.
 William J. Burns.
 William P. Castleman, Paris.
 H. K. Downing, Treasurer Troy Trust Co., Troy, N. Y.
 W. C. Teter, New York, N. Y.
 R. H. MacMichael, Bond Manager Mellon National Bank, Pittsburg, Pa.
 Geo. B. Crippin, President The Bank of Worcester, Worcester, N. Y.
 M. H. Griffing, President Connecticut Bankers Association, Danbury, Conn.
 Chas. E. Hoyt, Secretary Connecticut Bankers Association, South Norwalk, Conn.
 W. F. Hoffman, President Commercial National Bank, Columbus, Ohio.
 Walter Kutzleb, H. B. Hollins & Co., New York, N. Y.
 Frederic B. Stevens, Treasurer National Savings Bank of Albany, Albany, N. Y.
 James B. Forgan, President First National Bank, Chicago, Ill.
 W. R. Barnet, Assistant General Passenger Agent, New York Central Lines, New York, N. Y.
 I. Snowden Haines, Cashier Mechanics National Bank, Burlington, N. J.
 R. E. Jones, Assistant Agent Royal Bank of Canada, New York, N. Y.
 H. J. Bishop, General Eastern Passenger Agent Illinois Central R. R., New York, N. Y.
 J. R. Downing, Vice-President and Cashier Georgetown National Bank, Georgetown, Ky.
 Albert W. Tremaln, Rome, N. Y.
 B. V. Leigh, Cashier Clinton National Bank, Clinton, N. J.
 Sol Wexler, Vice-President Whitney Central National Bank, New Orleans, La.
 R. G. Hopper, American Banker, New York, N. Y.
 Arthur Balz, Battery Park National Bank, New York, N. Y.
 H. P. Morgan, First National Bank, Cuba, N. Y.
 Herbert H. Owens, Assistant Cashier Farmers & Merchants National Bank, Baltimore, Md.
 Edward Alley, President Second National Bank, Cortland, N. Y.
 H. B. Henderson, Cashier Wyoming Trust & Savings Bank, Cheyenne, Wyo.
 George S. Rowe, Treasurer Winsted Savings Bank, Winsted, Conn.
 F. E. Acker, Rand McNally Bankers Directory, Chicago, Ill.
 V. A. Lersner, Assistant Cashier Williamsburg Savings Bank, Brooklyn, N. Y.

"Savings Bank Section Book of Printed Forms."

The book is handsomely bound in flexible seal, issued in a convenient loose-leaf style, and comprises over 600 of the most useful and typical forms used by the most progressive savings banks of the country; these forms were selected from a collection of over 20,000 blank forms on file at the Secretary's office, and bound up in about fifteen huge volumes.

The forms are reproduced at one-half their original dimensions, viz., one-quarter of the area. The third edition is for sale to non-member banks at \$18 per copy, and to members of the American Bankers Association at \$12 per copy. Orders will be received and promptly attended to by William H. Kniffin, Jr., Secretary the Savings Bank Section, 11 Pine Street, New York City.

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THOMAS B. PATON, EDITOR.

General Counsel American Bankers Association

W. W. WAINE, ASSOCIATE EDITOR.

BANKING AND CURRENCY LEGISLATION.

Business men, as well as bankers, are showing keen interest in proposed banking legislation as represented by the "Aldrich plan." Prejudices seem to be cast aside. Those not familiar with the "Aldrich plan" are seeking information. Colleges and debating societies are investigating the subject, and are becoming more enlightened on its importance; and the interest is so keen that the general public, too, is investigating. All that is needed to create a wide demand for this reform is a thorough understanding of the defects of the present system, and the efficacy with which they may be cured by an adoption of the proposed improvement.

Bankers and students of economics have found little in the "Aldrich" plan to criticize. The Currency Commission of the American Bankers Association, as well as a group of bankers representing all sections of the country, on two different occasions have thoroughly analyzed and discussed the plan, with the result that certain minor suggestions were made to the National Monetary Commission, which, no doubt, will receive serious consideration by the Commission.

The important problem brought out in these discussions was the fact that no defined plan had been evolved to enable the trust companies, State, and savings banks, to benefit by the provisions embodied in the plan to establish a National Reserve Association of the United States. After the Nashville meeting of the Executive Council, the special committee of the American Bankers Association's Currency Commission, and a special committee appointed by the Trust Company Section, held a joint meeting to consider the importance of this question. These committees represented various classes of banks, and the result of these committees' work was unanimous action to formulate a plan whereby all banking institutions, separate and apart from national banks, could, if they wished, receive the full benefits under the pro-

posed act. As the national banks represent less than one-third of the banks of the country, too much importance cannot be accorded to the action of this joint committee; and, without doubt, will meet with the universal approval of the trust companies, State and savings banks.

After the "Aldrich plan" was made public the importance of educational work became apparent, with the result that the various State Bankers' Associations were urged to communicate with the National Monetary Commission and the Currency Commission of the American Bankers Association, with a view to securing speakers who could deliver addresses on the "Aldrich plan" as modified—speakers who were thoroughly well-posted on the subject, and who could command attention, and carry conviction. The State conventions that have already met this year have had this subject broadly presented, and, as a consequence, in most of the States resolutions have been passed unanimously, endorsing the proposed legislation.

The meeting of Group Eight of the Iowa Bankers Association at Davenport on May 11th had many of the aspects of a State convention. The registration showed an attendance of 206 bankers, representing 103 banks.

The Hon. John L. Bleakley, State Auditor, explained the workings of the State Banking Laws. Earnest R. Moore, one of the leading members of the last Iowa General Assembly, told in detail of the new legislation affecting banks passed during the recent session.

The following resolution offered by A. F. Dawson, President of the First National Bank of Davenport, was adopted:

"Resolved: That Group Eight, Iowa Bankers Association, endorses the principles of the currency plan proposed by the Chairman of the National Monetary Commission, and favors the enactment of these principles into law."

LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

BILLS OF LADING.

Reports to date show that the Uniform Bills of Lading Act has been passed in the following six States:

Iowa.
Illinois.
Pennsylvania.
Ohio.
Michigan.
New York.

This is most gratifying progress, especially in view of the fact that this particular act meets with more opposition than do any other of the Uniform Commercial Acts. In each of these States great credit is due to the members of Committees of State Bankers Associations having the subject in charge for their unceasing efforts, and also to the secretaries of such State Associations. These men have attended legislative hearings and given unsparingly of their time for the general good. Last year the Uniform Bills of Lading Act was passed by the legislatures in Maryland and Massachusetts, so that we now have this act in eight of the States.

BURGLARY WITH EXPLOSIVES.

The legal effectiveness of the statute defining the crime of burglary with explosives and providing a severe penalty, which has been already enacted in a considerable number of States, has been demonstrated recently in the cases of two burglars who were convicted of blowing open the safe of a bank in Nebraska and stealing the money therein, and who took the cases to the Supreme Court of Nebraska where the convictions were affirmed. (See *Joyce v. State*; *Morrison v. State*, 130 N. W., Rep. 291, 293.)

These convictions were based entirely upon circumstantial evidence—there was no one who testified that he actually saw the commission of the act and attempts were made in each case to prove an alibi—and strong efforts were made to secure reversal by contentions that the evidence was insufficient to support the verdict and by further specific objections to the admission of certain evidence. It may be of value to summarize the legal points decided in each case. In the *Joyce* case the Supreme Court of Nebraska held:

1. Where a person is charged with a substantive offense, of such a nature that he must be present at the time of its commission in order to support a conviction, the acts of any others

who are associated with him in the commission of the crime, in furtherance of the common design, may be admitted in evidence.

2. Where the gist of the offense charged is not the conspiracy, but is a substantive act, of which one or more may be guilty, it is not essential that the fact of conspiracy, or that the crime was committed in pursuance of a concerted design, be averred in the indictment.

3. And in such a case the fact that the persons concerned in the common crime are not jointly indicted makes no difference.

4. The order of proof is within the discretion of the trial court, and in such a case it is not essential that proof of the existence of a conspiracy be first made, in order that evidence may be received of acts of one associated with the accused in the common design.

In the *Morrison* case the Supreme Court held:

1. A defendant may be convicted of the crime of "burglary with explosives" upon circumstantial evidence alone. The evidence in this case is held to be sufficient to support the conviction.

2. In a trial for burglary it is competent for the prosecutor to prove that an article found at the scene of the crime immediately after the burglary was discovered was the property of the defendant, and was sold to him shortly before the crime was committed. The party who sold the article to the defendant, if otherwise qualified, is a competent witness for that purpose.

3. If the cashier of the bank burglarized testifies that she sold a draft to defendant at the bank shortly before the burglary, and that the draft which she produces at the trial is in her handwriting, and is the one that she so sold to defendant, an objection to receiving the draft in evidence on the ground that it is not sufficiently identified is properly overruled.

4. If photographs of the defendant and his supposed accomplices are produced at the trial of a criminal case and offered in evidence by the State and excluded by the court, it will not be presumed that the defendant was prejudiced thereby. No error on the part of the trial court can be predicated upon such a proceeding, unless it appears that objection was made at the time, and that there was some action or ruling of the court prejudicial to the defendant.

5. Upon an information which charges burglary with the use of explosives and that nitroglycerine was the explosive used, it is necessary to prove the use of explosives. The evidence in this case is found to be sufficient for that purpose, and also sufficient to prove that the explosive used was nitroglycerine.

6. The penalty for the crime of burglary with explosives prescribed by statute is imprisonment in the penitentiary for life, or for any term not less than twenty years. The defendant in this case has served a term in the penitentiary for burglary, and under the evidence a sentence of thirty years in the penitentiary will not be interfered with by this court.

NATIONAL COMMERCIAL LAWS.

An important meeting of the Committee on Commercial Law of the American Bar Association was held at Cincinnati on May 29th, at which the Committee gave consideration to questions of commercial law of unusual moment, preparatory to making a report, with recommendations, at the annual convention of the American Bar Association to be held the coming summer. Contrary to previous custom, an innovation was introduced of inviting in the general public, so to speak—the representatives of prominent commercial and financial organizations—to participate in the discussions and aid the committee in the solution of the problems presented for consideration.

The program as prepared in advance, provided three general subjects for consideration:

1. The wisdom of the enactment of a Federal Commercial Code;
2. Federal legislation on the subject of Bills of Lading used in Interstate and Foreign Commerce;
3. Suggestions looking to the improvement of the National Bankruptcy Act.

The first of the above subjects, it is seen, is most general and far-reaching in its scope, extending to all commercial matters, while Bills of Lading and Bankruptcy are specific subjects connected with commerce, the last named being expressly a matter of National regulation, provided by the Constitution and the subject of Bills of Lading being, also, within the province of Congress, under the Commerce Clause.

The meeting was presided over by Francis B. James, of Cincinnati, who is Chairman of the Committee on Commercial Law of the American Bar Association, and the other members of the Committee in attendance were Ernest T. Florance, of New Orleans, and John H. Voorhees, of Sioux Falls, South Dakota.

The proposition for a Federal Commercial Code was taken up pursuant to a resolution introduced at the last convention of the American Bar Association by Joseph Wheelless, of St. Louis, and Mr. Wheelless made a strong presentation of views in favor of the proposition. Considerable difference of opinion developed, however, as to the wisdom and practicability of taking away from the States the regulation of all commercial matters and vesting them in Congress and among others who questioned the wisdom of such action was Walter George Smith, of Philadelphia, President of the Commissioners on Uniform State Laws, who said that whatever faults may be found with the American system of State governments he believed it was still the best devised by man and to have the National Government assume control of the powers now delegated to the States would mean an Imperial and bureaucratic government.

Charles A. Conant, American Delegate to The Hague International Conference on Bills of Exchange, outlined the work done at that conference towards perfecting a uniform code of bills for continental countries and described the relation of the American delegate to the movement.

Thomas B. Paton, General Counsel of the Ameri-

can Bankers Association, described in detail the progress of the movement for Federal regulation of the Bill of Lading. Beginning with the Townsend bill, introduced in the Fifty-ninth Congress, he traced the history of the movement through the Maynard bill in the Sixtieth Congress and the Stevens bill which passed the House in the Sixty-first Congress and has been reintroduced in the present, Sixty-second, Congress, and showed that after all these years of effort by a pruning out and modifying process, the proponents have at last reached a framework of legislation which, as tested by experience, it will be practicable to have adopted. In view of this, he strongly urged that nothing should be recommended by the committee which would in any way hamper or put back the progress already attained with the present Stevens bill. He stated that while, theoretically, the enactment by Congress of a complete code on the subject of Bills of Lading similar to the Uniform Act proposed for the States might be desirable, the experience of the Committee on Bills of Lading of the American Bankers Association was that a complete code of this character would be impracticable at this time in view of the present temper of Congress; that the Maynard bill had been modified by taking out the provisions relating to indorsements and transfer as a result of suggestions that Congress would not legislate on those subjects and that the Stevens bill was confined to the few vital points only, which were essential to security. He expressed the fear that if such a great organization as the American Bar Association should propose a code on Bills of Lading, this would give a handle to opponents of the Stevens bill to plead for delay and to argue that there was no need of giving further consideration to that measure as there was in prospect a more complete code regulating the subject. He therefore asked the Committee that they recommend to the American Bar Association the indorsement of the Stevens bill with the amendments agreed on before the Senate Committee last June, and if they deemed it their duty to recommend a Federal code on the subject of Bills of Lading or a Federal Code of Commerce, as a matter of ultimate legislation, that this recommendation be so framed as to make it clear that pending the final consummation of this object, the Stevens bill should nevertheless be recommended for immediate enactment as a practicable measure and one of urgent necessity.

Francis B. Sears, Vice-President of the National Shawmut Bank of Boston, supported the remarks of Mr. Paton and argued that a Bill of Lading law such as the American Bankers Association is contending for in Congress would be especially helpful to the small traders whose capital is limited and who would be able, with the Stevens bill in force, the more readily to use the Bill of Lading as a security for needed advances.

Further speakers on the subject of Bills of Lading were John C. Scales, of Chicago, who spoke upon the necessity of a special Bill of Lading for perishable goods, and E. E. Williamson, of Cincinnati, who advocated a clean Bill of Lading, without any conditions.

On the subject of amendments to the National

Bankruptcy Act, Hon. Charles T. Greve, Professor of Bankruptcy Law of the University of Cincinnati, pointed out certain defects in the National Bankruptcy Act and suggested remedies. He was followed by Harold Remington, Counsel of the National Association of Credit Men, who made a thorough review of Bankruptcy legislation and gave many valuable ideas which were somewhat derogatory to the practicability of proposed amendments at the present time.

At the conclusion of the meeting, the Committee expressed their thanks for the valuable information which had been received from the experts present.

FALSE STATEMENTS FOR CREDIT.

In the May Journal (page 674) we published a statement that the bill to punish false statements to obtain credit had been passed in California. We regret to announce that we have since been advised that the Governor of California has vetoed this bill.

OPINIONS.

Summary of Questions Received and Opinions Rendered to Members of the Association.

"PAY TO ORDER OF BEARER."

Does a check drawn "Pay to order of bearer" as distinguished from "Pay to bearer" call for the indorsement of the bearer as a pre-requisite to payment? Opinion that indorsement not legally required.

From Louisiana.—In the Journal for May you say that a check payable to bearer "does not require indorsement and payment to bearer is perfectly proper and chargeable." But suppose the check reads "pay to the order of bearer." I have always contended that a check reading thus must be indorsed by the bearer, otherwise the wish or requirement of the drawer of the check is not complied with. The object is to ascertain and show (if it is found to be necessary) who the bearer was. If a check reads "pay to bearer" I think it would be proper to do so, if objection was made by the party presenting it, but when it reads "pay to the order of bearer" it would seem necessary to have the bearer's indorsement. Suppose a check is presented "pay to the order of bearer, ten dollars," and I refuse to cash it until the bearer indorsed it, what recourse would he have? I do not anticipate any such situation but it is well enough to understand.

The statement in the May Journal (page 680) that "a check payable to bearer does not require indorsement and payment to the bearer without indorsement is perfectly proper and chargeable" only related to checks made payable "to bearer."

Your letter raises the interesting question whether there is any distinction between checks drawn "pay to bearer" and "pay to order of bearer" and your contention is that in the last stated case the check requires the bearer's indorsement, for otherwise the direction of the drawer is not complied with; that by using the word "order" the intention or desire of the drawer is to procure the written order of the bearer indorsed on the check so that the drawer may have evidence, through the paid check bearing such indorsement, of the person to whom payment has been made.

I do not think this distinction holds in law but that a check payable to order of bearer would be held the equivalent of one payable to bearer and that the bearer's indorsement could not be required or compelled, should he object to making it, in the one case any more than in the other.

My reason for this opinion is that the courts have held that an instrument made payable "to order of A" is the same as if made payable "to A or order," and where the payee presents it in person, his indorsement cannot be compelled; and it must follow that if a check payable "to order of A" does not require A's indorsement, neither will an instrument payable "to order of bearer" require the bearer's indorsement.

To briefly refer to the cases:

In the old case of *Frederick v. Cotton*, 2 Showers' report, p. 8, decided by the Court of Kings Bench considerably over a century ago, an action was brought on a bill of exchange by the holder against the acceptor. It was objected that the bill was payable to the order of the plaintiff and there was no order alleged. The report says:

"But the court resolved, without any difficulty, that if by deed, bill, or other writing, money be to be paid to a man's order, it is due to himself; so the plaintiff had his judgment."

In the later case of *Smith v. McClure*, 5 East 476, decided in 1804, a bill of exchange was drawn by A payable to the order of himself and was accepted. A sued the acceptor and it was objected that being drawn payable to the order of the plaintiff and not to him or his order and no order by him being stated to have been afterwards made, he showed no title in himself to recover. But Lord Ellenborough said:

"A bill payable to a man's own order was payable to himself if he did not order it paid to any other; and no such order appearing, it must be presumed that none was made."

In *Huling v. Hogg*, 1 Watts & S. 418, decided by the Supreme Court of Pennsylvania in 1841, it was said:

"The note is payable to the order of the plaintiff, and does not require an indorsement to enable the payee to maintain a suit on it. A bill payable to the order of A is the same as if payable to A or order."

In *Howard v. Palmer*, 64 Me. 86, year 1874. the court says:

"It is objected that the note is payable to the order of the Maine Mutual Marine Insurance Company and has not been indorsed. It may have been once doubted whether a note payable to the order of A B was equivalent to one payable to A B or order, but it has long been settled that a note payable to a man and his order, or to his order only, is one and the same thing."

To the same effect is *Durgin v. Bartol*, 64 Me. 473. See also *U. S. v. White*, 2 Hill, 59.

I therefore think in a case such as you suggest, that if a check drawn "pay to order of bearer" was presented by the bearer who refused to indorse it and the bank refused to cash it until the bearer should indorse it, that the bearer might properly have the check protested and have a right of action against the drawer thereon; and that the drawer, in turn, would have an action in damages against the bank for injury to his credit.

CERTIFICATE OF DEPOSIT.

Question of right of holder to demand immediate payment or only at end of twelve months.

From Oklahoma.—A came in our bank some time since and left \$500 on time deposit to draw interest at the rate of 4 per cent. per annum. The certificate would have matured in twelve months, and we just paid the interest in advance. He immediately indorsed his certificate over to our neighbor bank, whereupon they presented it—waiving the interest—for payment. We declined to take up the certificate, contending that it was not due—even though the interest were waived. Our neighbor bank, however, contended that the certificate became due at any time the payee demanded, provided he waived the interest.

The right of the holder bank to demand immediate payment will depend upon the wording of the certificate. If it provides that the money has been deposited payable in one year from date at 4 per cent. interest, the certificate is not due until the expiration of twelve months from date and the holder cannot compel payment before maturity. If, on the other hand, it is a demand certificate with a provision for interest at 4 per cent. if left twelve months, then the certificate would be due and payable as soon as demanded, the holder waiving the interest. You do not give the exact terms of the certificate in your letter, but I gather from what you say that it is one of the kind first stated. A man who makes his note payable twelve months from date cannot be compelled to pay before maturity and the same rule would apply to a certificate of deposit payable twelve months from date.

CASHIER'S CHECK TO WRONG PERSON.

Where a stranger representing himself as B presents to drawee bank a check payable to order of B and bank delivers to stranger its cashier's check payable to order of B, which stranger indorses in name of B to another bank and that bank receives payment, opinion expressed that as between drawee bank and bank receiving payment, former would be the loser in event indorsement is not that of B.

From Missouri.—We wish to submit you the following question: We have adopted the method of issuing our cashier's checks in lieu of certifying checks or drafts drawn upon us. Our customer, A, draws check on us payable to the order of B. The check is presented to us by party representing himself to be

B, but who is unknown to us. We take up A's check from party presenting, taking his indorsement thereon (he using the name of B) and issue our cashier's check, payable to the order of B for the amount. The money on our cashier's check is obtained from another bank, and we pay the check in the ordinary course through the Clearing House, giving no special attention to the indorsements, relying upon the ordinary Clearing House guarantee of indorsement by the bank which clears the item.

Query.—Should the indorsement on the check prove to not be the indorsement of B to whose order A made the check, and the money cannot be recovered from the party who indorsed same to and obtained payment thereof from the other bank, would the loss fall on us, or on the bank cashing the check?

While the authorities upon the question you submit are not all in accord, I am inclined to think in view of the weight of authority that the loss in a case such as you suggest would fall on the bank issuing and paying the cashier's check, rather than on the bank which cashed the check.

There are quite a number of cases (with one or two to the contrary) which hold that where a swindler, A, impersonates and uses the name of another man, B, and receives from the drawer a check payable to B, the drawer believing A to be B, that the indorsement by A of B's name to the check is by the precise person whom the drawer intended should receive the money and therefore a bank which advances cash on such a check indorsed by A in the name of B, or the drawee which pays a check so indorsed, can hold the drawer responsible. The majority rule proceeds upon the theory that in such a case payment of the check has been made to, or purchase has been made from, the precise person intended by the drawer to receive payment; hence the indorsement cannot be regarded as a forgery. The opposing view, taken in a few cases, has been that the check, being made payable to B, its indorsement by A in the name of B is a forgery and carries no title to a purchaser nor authority to the bank to pay the check.

I will cite but two cases which would seem to come nearest to the one you submit in that in both the check, issued and delivered to an impostor who assumed the name of the payee, was given in exchange for an instrument made payable to the same name.

In *United States v. National Exchange Bank*, decided by U. S. Circuit Court, E. D. Wis., February, 1891, a letter, containing a money order, had been sent from Austria to Anton Erben, in care of the German Aid Society, Milwaukee, Wisconsin. One Schuman who learned the facts, impersonated Erben at the society, obtained the order, and was identified by the society's agent as Erben at the post-office. The postmaster gave his check on a Milwaukee bank, payable to "Anton Erben or order," which he delivered to Schuman. Indorsed by Schuman in Erben's name, this check was paid by the bank to Schuman, he being identified as Erben by the society's agent. In an action by the United States, checkdrawer, against the bank, it was held the payment was authorized and the bank not responsible. The court said: "The plaintiff gave its check to a person who said his name was Anton Erben, and whose name it believed to be Anton Erben and made it payable to the order of Anton Erben, intending thereby the person to whom it gave the check. The question for the bank is, for whom was this money intended by the drawer? * * *

Without doubt the postmaster would have paid the currency instead of a check if he had had it in hand, rather than in bank." The court held that the bank was entitled to charge the payment to the drawer, the money having been paid to the precise person for whom payment was intended by such drawer.

To the contrary in *Dodge v. Bank*, 30 Ohio St. 1, decided in 1876, one Frederick B. Dodge of Toledo, Ohio, owned a United States Government certificate of indebtedness which he mailed to the paymaster at Cincinnati, Ohio, requesting a check. The certificate was stolen from the mail and presented by the thief, representing himself to be Dodge, to the paymaster at Columbus, Ohio. The paymaster refused to pay unless the holder would identify himself as Dodge, but when told that he could identify himself at the bank, the paymaster gave him his check payable to Frederick B. Dodge on the National Exchange Bank of Columbus, which the impersonator indorsed in Dodge's name and received payment by the bank. In this case it was held that the bank was liable, having paid the check on a forged indorsement of the payee's name. The court said there was no foundation for the claim that the check was paid to the person whom the drawer intended it to be paid and whom he designated as Dodge, because the check was delivered to this person only on his assurance that he would identify himself as Dodge at the bank. The intention was to order payment to Dodge, the owner of the voucher, and it was left to the bank to identify the holder of the check as Dodge. The bank was deceived and not having paid the real payee or his order, was liable.

This latter case is to be distinguished from the majority of other cases which hold that where a check is given to A, made payable to B, in the belief that A is B, that indorsement by A in B's name is good, by the fact that the drawer did not fully believe that the one to whom the check was delivered was the payee therein named and did not intend that payment should be made to him unless he was in reality the person he represented himself to be.

The distinctions made in these cases are somewhat refined and technical but, as I have already said, the majority of cases hold where a check is made payable to B and delivered to A in the belief that he is B, that the intention is that the person to whom the check was delivered should receive the money and his indorsement therefore of the name of B is good. In a case such as you suggest, your bank is the drawer as well as the drawee. Your customer draws a check payable to order of B. If an impersonator, unknown to you, presents the check and says he is B and you pay the cash to him, of course it is your loss. If, instead of doing this, you issue your cashier's check to order of B and deliver it to the impersonator, in the belief that he is B and intending that he shall receive the money, equally according to the majority of cases it would be your loss if you pay the check to a bank which has cashed it for the impersonator indorsed by him in the name of B. Further, even if you should assert that when you issued the check you were not sure that the person to whom it was delivered was B but gave the check instead of paying cash, so that the burden of establishing the holder's identity as B would be thrown upon someone else, even here I think the courts would hold you liable, as against the cash-

ing bank, as being the one primarily responsible for the identity of the holder as the payee; for in this case you are issuing a check payable by yourself, and not as in the *Dodge* case drawing a check on another bank, and I think the courts would hold that by placing such check payable to B in the hands of one who represented himself to be B, you would be estopped as against an innocent purchaser of the check from the person to whom you delivered it, to assert that the latter was not the one to whom you intended payment to be made.

FORGED CHECK.

Drawee's right to recover money paid on forged check under law of Florida.

From Florida.—A check on this bank, payable to D, bearing blank indorsement of D, followed by indorsement of R to order of Bank of B and indorsed by that bank "Pay to order of any bank or banker. Previous indorsements guaranteed," was paid by this bank to Bank of B. Drawer afterwards pronounced check to be a forgery. Kindly advise who is liable in this matter. The second indorser, R, did not know the payee, B.

Under the general rule established in a majority of States of this country, money paid by the drawee of a check upon which the drawer's signature has been forged cannot be recovered from a bona fide holder who has received payment. I do not find that the question has been passed upon in Florida. The courts quite generally hold that an indorsement warranting the genuineness of prior indorsements is not a warranty of the genuineness of the drawer's signature. Some courts hold that where there has been negligence in acquiring a forged check from a stranger without inquiry the drawee may recover where it has paid the money to the one taking from the stranger without identification; and among other decisions to this effect is that of the Supreme Court in your neighboring State of Georgia, in *Woods v. Colony Bank*, 114 Ga., 683.

But even if this principle were adopted in Florida the trouble in your case is that you did not pay the money to R., who dealt with the forger but to the Bank of B., which apparently acquired the check for value without negligence and it is doubtful whether you would have a direct action against R. in any event unless you could prove that he collected the check from you through the Bank of B. as his agent; then there might be a possible chance of recovery.

CHECK SIGNED IN BLANK.

Where a check is signed in blank as to amount and negotiated to a bona fide holder for a sum larger than authorized by the drawer, latter is liable for increased amount to bona fide holder under common law rule, but not so liable under rule of Negotiable Instruments Law unless amount filled in before negotiation.

From Illinois.—A certain horse buyer in an Indiana city has been sending to his representative in this village dated and signed checks, with the amounts left blank, to be filled in by his representative here to cover the cost of horses purchased by said representative. These checks have been promptly paid by the bank on whom they were drawn, except one. In this the bank on which it was drawn refused payment and in response to our wire to them they said

that the payee exceeded his authority in filling in the amount of the check. The check was made out for \$668.25 and bank claimed the check should have been for not more than \$550.

We hold that the maker of the check is liable and had no right to stop payment of this check so long as it was in an innocent holder's hands. Are we right?

At common law where the drawer of a check or maker of any other negotiable instrument intrusts it to another with blanks unfilled, the instrument carries implied authority to fill up the blanks and perfect the instrument, and where, in a case such as you state, the blank is filled up with an amount greater than authorized by the drawer, an innocent purchaser who advances the amount so filled in will be protected and can hold the drawer liable therefor. *Bank of Pittsburg v. Neal*, 22 How. (U. S.), 107; *Frank v. Lillienfeld*, 33 Grat. (Va.), 377. Under the rule of the common law, therefore, the maker of this check would be liable to your bank as an innocent purchaser for the full amount filled in by his representative, although this amount was greater than the maker had authorized the representative to fill in.

The rule on this subject provided by the Negotiable Instruments Law is, however, different and changes the common law rule. The Negotiable Instruments Law provides:

"Where the instrument is wanting in any material particular, the person in possession thereof has a prima facie authority to complete it by filling up the blanks therein. And a signature on a blank paper delivered by the person making the signature in order that the paper may be converted into a negotiable instrument operates as a prima facie authority to fill it up as such for any amount. In order, however, that any such instrument when completed may be enforced against any person who became a party thereto prior to its completion, it must be filled up strictly in accordance with the authority given and within a reasonable time. But if any such instrument, after completion, is negotiated to a holder in due course, it is valid and effectual for all purposes in his hands, and he may enforce it as if it had been filled up strictly in accordance with the authority given and within a reasonable time."

In several cases which have arisen under this section, where the instrument has come to the innocent purchaser with blanks unfilled, it has been held that "it must be filled up strictly in accordance with the authority given" by the maker and if such authority is exceeded, the instrument cannot be enforced. For example in *Boston Steel Co. v. Steurer*, decided by the Supreme Court of Mass., March, 1903, a check was drawn to the order of the Boston Steel Co., signed in blank as to amount, taken to the payee by the husband of the drawer and filled up by the payee for the sum of \$400, with the husband's consent, and then applied upon the husband's debt to the steel company. The wife who drew the check claimed that she intrusted it to her husband to deliver it to the payee in payment of her own debt. The court held, under the provision of the Negotiable Instruments Law above quoted, that the check so taken with blank unfilled was not a complete instrument but was enforceable only according to the actual authority given by the drawer to complete the blank. Of course, if the blank had been filled up before the check was given to the steel company, and the lat-

ter took it without notice that the blank was unfilled when it left the maker's hands, the steel company would have been protected under the provision "but if any such instrument, after completion, is negotiated to a holder in due course, it is valid and effectual for all purposes in his hands, and he may enforce it as if it had been filled up strictly in accordance with the authority given and within a reasonable time."

There have been a number of cases to like effect. See *Guerrant v. Hughes*, Corporation Court of Danville, Va., 1902; *Bank of Huston v. Day*, 122 S. W. (Mo.), 756; *Madden v. Gaston*, 122 N. Y., Supp. 951; *Hermann v. Gregory*, 115 S. W. (Ky.), 809.

If the transaction you state in your letter is governed by the common law rule, your bank as an innocent purchaser can hold the drawer of the check liable for the full amount filled in, even though he only authorized his representative to fill in the lesser amount stated, assuming of course that you advanced the full amount upon the check. If on the other hand it is to be governed by the rule of the Negotiable Instruments Law then, if the actual authority was only to fill in the check for \$550 and it was filled in by you or in your presence for \$668.25, you could not recover the full amount from the drawer. If, however, the check was filled up by the representative for \$668.25 and negotiated to you as a completed instrument and you had no notice but that the check was completed for that amount when it left the drawer's hands you would, even under the Negotiable Instruments Law, be entitled to hold the drawer liable for the full amount.

While the Negotiable Instruments Law is in force in Illinois and in thirty-seven other States and jurisdictions in this country it has not yet been enacted in Indiana where the common law rule still prevails and as this check was issued and made payable in Indiana, the law of that State (in other words the common law rule and not the Negotiable Instruments Law) would govern the liability of the maker. I therefore think your bank can hold the maker liable for the full amount of this check.

FORGED TELEGRAMS.

Liability of telegraph company to bank which pays money on faith of forged telegrams.

From New Mexico.—We have just gone through an experience that may prove of use to some of the other members of the Association and we would like to obtain your opinion as to our rights in the matter.

After some talk with an attorney here we agreed to make bond for a man who was in jail if the money was sent to us to secure us against loss. On the morning of the 15th we received from the Western Union delivery boy the following messages bearing date of the 13th:

Monticello, Ill. Please pay Charles W. Lanier Six Hundred Dollars we remit. First National Bank.

Please place to the credit John A. Pace attorney Two Thousand Dollars to cover Bonds of Charles W. Lanier we remit direct by draft. First National Bank.

We complied with the above messages and made bond for the man Lanier and gave him credit for the six hundred dollars. He paid some bills, giving checks for them and in turn we gave the parties to which he paid them, credit. Along about five o'clock we learned from the Western Union that these tele-

grams were forgeries. Our man was gone so we offered a reward of \$100 for him and he was arrested that night at Liberal, Kans., and is now in jail here.

Our attorney assures us that we can hold the Western Union for the amount that we are out. Would thank you to give us a brief as to our rights in this matter.

I regret that the demands upon me are so pressing that I cannot find time to prepare a brief for you upon the question. But I can refer you to one or two cases which may be helpful to your attorney.

I think you will be able to hold the telegraph company liable for delivering to you the two forged telegrams purporting to be sent from the Illinois bank, directing you to pay the money.

In *Bank of Palo Alto v. Pacific Postal Telegraph Co.*, 103 Fed. 841, a telegraph company was held liable to a bank for a loss caused by the bank's payment, without negligence, of a money order which was forged and transmitted through the company's regular agents.

Also in *Western Union Telegraph Company v. Uvalde National Bank*, decided by the Supreme Court of Texas, December 21, 1903, a telegraph company was likewise held liable to a bank which had paid out money upon forged telegrams. While the telegraph company was held not a warrantor of the truth of messages forwarded through it, it was held bound to exercise due care. The court said that the act of delivering a message was an assertion or representation that the message was received by the company at the point from which it purports to come from him who appears to be the sender and that it was transmitted by the company over its wire to the place of delivery.

The above cases would seem to be favorable to your contention and doubtless your attorney can make use of them and some of the authorities to which they refer.

SET-OFF OF NOTE.

Right of bank to charge up note owned by it against customer's account where note made by customer payable at another bank and protested for non-payment at maturity.

From New Jersey.—Suppose John Smith has an account with a bank in A and also one with a bank in B and he gives a note to John Jones drawn on the bank at B and said Jones discounts the note at A bank and it is sent by A to B for collection and comes back protested. Would the A bank have the right to charge said note to Smith's account, without special instructions.

In the case you state, Bank A discounts and becomes owner of a note drawn by its customer Smith in favor of Jones, made payable at Bank B where Smith also keeps an account, which note is protested at maturity.

In such case, Bank A, being owner of a matured and unpaid note upon which its customer is primarily liable as maker, has a right to set off or charge it up to Smith's account and it requires no special instruction or authority from the customer to entitle the bank so to do; although he should be notified that the note has been so charged up.

CHECK WITH ALTERED DATE.

Bank would be protected in paying check with altered date if after alteration check has been negotiated to a holder in due course.

From New Jersey.—Kindly advise if a bank is liable under the Negotiable Instruments Law in the following case: A check is drawn by one of our depositors to the order of one C. After C indorsed the check it was stolen from him, the date altered and it was presented for payment and accepted by the bank through the exchanges. After the change in date the instrument was negotiated to a bona fide holder. The depositor claims that on account of the date being altered the bank had no authority to honor the check.

If I correctly understand the facts, a check with the genuine signature of depositor and genuine indorsement of payee is stolen, the date altered, negotiated to a bona fide holder, presented through the exchanges and paid by the drawee bank.

The Negotiable Instruments Law provides:

"Where a negotiable instrument is materially altered without the assent of all parties liable thereon, it is avoided, except as against a party who has himself made, authorized or assented to the alteration, and subsequent indorsers.

"But when an instrument has been materially altered and is in the hands of a holder in due course, not a party to the alteration, he may enforce payment thereof according to its original tenor."

Any alteration which changes the date is a material alteration under the Negotiable Instruments Law.

It would seem, therefore, if this check with altered date was paid to a holder in due course, not a party to the alteration, the payment would be justified as such holder would have a right to enforce payment according to its original tenor.

TIME OF DAY OF PROTEST.

Where note is made payable at maker's place of business which is kept open until six o'clock, note can be protested for non-payment before closing hour of the day of maturity, where presented earlier in the day and dishonored by non-payment. It is not necessary to wait until six o'clock to make a legal protest.

From New Jersey.—We would like to know whether it is illegal to protest a note, at three o'clock on date note is due, said note being payable at place of business of the maker which is kept open until six o'clock and presented to maker at his office at three p. m. by a notary and upon non-payment protested by the notary.

We enclose a brief, by a lawyer, in which he claims note should be held the entire day before protesting. Is his interpretation of the law correct according to the Negotiable Instruments Law?

The opinion of the attorney, in the memorandum presented, says that "where the note is payable at the maker's place of business or at another office, other than the bank, and the place of payment is kept open until six o'clock, the maker would have a right to the whole day up to six o'clock to pay his note and it could not be legally protested until the close of the day at that place."

It is true that the maker has the whole of the day in which to pay his note, but I cannot agree with the closing words in the above quoted opinion that the note cannot be protested until six o'clock in a case where it is presented and dishonored earlier in the day. To the contrary it has been held in several cases under the law merchant that where the note is presented during the day at the maker's place of business and dishonored, it may be immediately protested, and the indorsers notified. The maker, however, has the whole of the day in which to pay and no action can be commenced on the note until the following day. But after due demand and refusal the maker, if he wishes to make payment, must seek the holder for that purpose. The holder is not bound to repeat the demand. If the maker subsequently makes payment on the same day it is good and the notice of dishonor in such event becomes of no avail. See, for example, *Oothout v. Ballard*, 41 Barb. 33; *Etheridge v. Ladd*,

44 Barb. 69; *Osborn v. Moncure*, 3 Wend. 169; *Merchants' Bank v. Elderkin*, 25 N. Y. 178.

I have not time to make an exhaustive investigation of the authorities on this subject but such, I believe, is unquestionably the rule and there is nothing in the Negotiable Instruments Law which changes the law merchant in this respect. The Negotiable Instruments Law simply provides that "when a bill is protested such protest must be made on the day of its dishonor" unless delay is excused, etc. If this provision was intended to change the law merchant it would have expressly provided that the protest must be made "at the close of business hours" on the day of dishonor; not providing any specific time on day of dishonor, it leaves such specific time of protest to the regulation of the law merchant which, as stated, allows protest immediately upon dishonor on the day of maturity, and after such protest it makes it incumbent upon the maker to seek the holder if he chooses to pay thereafter on that day.

FINGER PRINTS HOUND CELLA TO CONFESS.

In Spite of Perfect Alibi, Burglar Weakens After Days of Gazing at Telltale Photographs.

Said He Thought World Would Know.

Marks on Window Pane only Evidence of Prosecution—Some of Jury Would Have Ignored Testimony.

The science of criminal detection took a great bound forward to-day when Caesar J. Cella yielded to the infallibility of finger-print evidence and gave up all attempts to prove himself innocent of the charge of burglary. This is the first instance in America and the second in the history of the world in which a criminal has been brought to justice solely upon the evidence of finger prints which he had left at the scene of the crime.

For two days Cella and his attorneys have been battling against the telltale finger prints. An unshaken alibi had been established, but the evidence of his guilt was before Cella every moment during the trial. His own finger prints on a pane of glass taken from the store he burglarized had a strange fascination for the criminal. They seemed to emblazon his guilt to the world. To-day he could stand the weird fascination no longer, and against the advice of his attorneys, who felt certain of his acquittal, he stopped the trial and told the judge and jury the complete story of his crime.

Two days ago Cella was put on trial for burglarizing the loft at 171 Wooster Street, occupied by M. M. Bernstein & Co. The evidence offered by the district attorney was very brief. It consisted solely of a pane of glass cut from the entrance door of the Bernstein loft. On this glass were the prints of a thumb and two fingers. The detectives who had been called in after the burglary found them. At headquarters Lieut. Faurot declared them to be the prints of the fingers of Cella. His fingers had been "mugged" at headquarters three years before.

This was the only evidence against Cella. He had a host of witnesses to establish an alibi, and there were others who swore that he had been working and leading an honest life of late. But in spite of all this Cella could not face the evidence of his own fingers. When the trial was resumed to-day

Robert A. Moore, attorney for the defense, told Judge Rosalsky that his client wanted to change his plea to guilty.

"I want you to tell me the whole story," said the judge. "How is it if you are guilty that these witnesses have given the testimony establishing so perfect an alibi?"

"They thought they were telling the truth, judge. I did go to the theatre and was in bed at 4 o'clock. It was after that I sneaked out of the house, met the man I was to work with, and pulled off the trick. I got back to the house and was in bed before daylight."

"What is your reason for pleading guilty?" inquired Judge Rosalsky.

"Why, no man could stand to see those finger prints as I have without giving up the fight. I guess everybody that saw them knew I was guilty."

"When you cut out the glass did you not think of the danger of leaving your finger prints on it?" asked the judge.

"Yes, I thought of it, but the prints at headquarters had been taken so long ago that I didn't think there was any danger. After we got out of the building I remembered that my hands had been wet, and that I had gripped the glass tightly. I thought about going back to wipe off the glass, but I guess I was careless."

"You have committed many other burglaries?" questioned the judge.

"Oh, yes; but I never entered a dwelling, and I never carried a gun in my life."

"Did you ever think of leading an honest life?"

"Yes, I tried that, too. I worked for a year for Mr. Webster, who testified here on my behalf. Two detectives, Butts and Betti, kept hounding me until I lost my job."

"Well, Cella," said Judge Rosalsky, in closing the interview, "by pleading guilty to-day you have performed a great service for the scientific world. I shall take that into consideration in passing sentence on you."

"I am curious to know," continued the judge, addressing the jury, "whether or not some of you jurymen would not have hesitated to convict this man on this evidence."

The foreman and three other jurors indicated to the court that they would have opposed accepting such evidence as conclusive of guilt. — *New York Globe, Thursday, May 11, 1911.*



PROTECTIVE DEPARTMENT



L.W. GAMMON

MANAGER

THE BLACK BAND.

We understand that the notorious, so called Black Band of swindlers, who formerly operated from Smyrna, Turkey, are now located in Constantinople and that they are following their fraudulent practices from that place. The method they pursue is to make importers attractive offerings of merchandise, submitting samples of good quality and condition, payment to be made 80 per cent draft against shipping documents and balance to be remitted on arrival and approval of the goods. Against orders for wool, bees-wax and other Oriental products, they ship cattle hair, paraffine, etc., and of very inferior quality, consequently if the innocent importer accepts and honors the draft, he is swindled, for the goods do not arrive until long after the money has been paid to the band. As an example, we cite the following personal experience which a New York wool merchant had with this band of swindlers: They ordered washed white wool, paying draft for \$1,364.30; the goods on arrival proved to be dirty colored cattle hair, weighing a little more than half of the invoice weight and which they eventually sold for about \$100. While the documents will call for the full weight, they are careful to forward so that shipments are trans-shipped at some foreign port and the importer has no recourse against the carrier on that account.

This department will be pleased to furnish members of the Association, confidentially, with the names that these parties are using, in case they have any of these drafts offered by their customers in connection with this particular line of merchandise.

The police of Scranton, Pa., hold a warrant for the arrest of F. E. Stephens, who left that city recently after cashing several worthless checks. Stephens has resided in Scranton for several years. His description is 47 years of age; 5 ft. 8½ in. tall; weighs 215 lbs.; sandy hair; long sandy mustache; fluent talker; good appearance; pleasing personality. His occupation is that of tutor. A specimen of Stephens' handwriting is reproduced below.

F. E. Stephens
375 N. Y.
Watertown

One James A. Powers is wanted in New York on a charge of issuing two checks bearing the forged signature of a depositor. Powers claimed to have been in the real estate business in a small Western town before coming to New York. He is also said to be an auditor. His description is 30 years of age, 5 ft. 6 in. tall, medium build, smooth shaven, medium complexion, dark hair. He has the appearance of country merchant.

A warrant has been issued for the arrest of Thomas Bradley, who forged a check and cashed same in Cashmere, Wash. Bradley left for parts unknown immediately after committing the forgery. He is described as 28 years of age; 5 ft. 11½ in. tall; weighs 135 lbs.; light complexion; blue eyes; red hair; freckled face.

E. G. Specht, alias E. A. Spencer, is wanted in Kern, Cal., for a forgery committed in that city. Specht's description is given as 45 to 50 years of age; 5 ft. 7 in. tall; 160 lbs.; stocky build; blue or gray eyes; gray hair; sometimes wears a mustache; claims to be a member of different lodges, namely: Masonic, Eagle and Eks. He is usually very well dressed, but wears a fake diamond stud in his shirt front; also a gold ring with Mexican setting. Specht has been engaged in building construction work.

A warrant has been sworn out in Los Angeles for John Nelson, alias John Nilson, who is charged with forging a check in that city. His description is given as 60 years of age; 5 ft. 8 in. tall; stocky build; dark hair, streaked with gray; full smooth face; blue eyes; talks with a decided Swedish accent. Nelson's occupation is that of laborer.

The police of Norwalk, Conn., hold a warrant for the arrest of H. B. Frankenberg, who gives his occupation as that of house-to-house canvasser, selling silver table ware. Frankenberg succeeded in obtaining several hundred dollars on worthless checks in Norwalk after having resided there for a couple of months. He is described as 43 years of age; 5 ft. 5 in. tall; weighs 130 lbs.; dark short cut mustache; sallow complexion; thin, drawn face; sunken cheeks. Specimen of his handwriting is reproduced below.

H. B. Frankenberg
1000 Cash
hundred one

One H. Lamont Smith is wanted in Washington, D. C., on a charge of issuing worthless checks. He is described as 25 years of age, 6 ft. 7 in. tall, weighs 145 lbs., light hair, light complexion. When last seen wore blue serge suit.

Members are warned to be on the lookout for a party who fraudulently represents himself as a salesman for the Kemper-Thomas Co., of Cincinnati, Ohio. This swindler issues checks purporting to be signed by the above company, and drawn on a Covington, Ky., bank. He has operated under the names of B. F. Norton, D. M. Wilson, E. P. Ramsey, B. A. Patton, J. T. Richards, etc. Checks issued by this party range in amounts from \$50 to \$75. His description is given as 50 years of age, 5 ft. 7 in. tall, weighs about 140 lbs., sandy hair, has gold filling in one tooth which shows quite prominently.

Chas. C. Miller is wanted at Carlisle, Pa., for forgery. He is said to be 25 or 30 years of age; 5 ft. 8 or 9 in. tall; slim build; weighs 130 lbs.; thick black hair. Has two prominent gold crowns on right side of upper jaw; tattooed on left and right forearms; scar on right arm above wrist. Miller is a silk weaver by trade.

The sheriff of Kimberly, Idaho, holds a warrant for the arrest of Pedro Prado on a charge of forgery. Prado's description is given as 5 ft. 7 in. tall, 170 lbs., black eyes, brown mustache, brown hair, face is pockmarked. Prado is a Spaniard.

One R. J. Anderson is circulating checks in Detroit, Mich., and vicinity bearing the forged signature of Tuttle & Clark. The checks in question usually range in amount from \$3 to \$5. We reproduce below specimen of handwriting appearing on these checks.

R. J. Anderson
June 325
Tuttle & Clark

A person giving the name of George Reginald Crosby is issuing checks drawn on a New York bank, which purport to be certified by that bank. All such checks are absolutely worthless. Crosby has recently operated in New York and vicinity. A specimen of the handwriting appearing upon these checks is reproduced below.

Geo Reginald Crosby
18/100 May 3
Eighteen Dollars

One Looren J. Herriff is issuing worthless checks drawn on a Chicago and Los Angeles bank. He has recently operated in upper New York State, and in a few towns in New Jersey. Herriff's description is given as 35 years of age, 6 ft. tall, weighs 185 lbs., is slightly round shouldered, ruddy complexion, dark eyes, dark hair, smooth shaven. Herriff claims to be a lecturer for the American Brotherhood of Locomotive Engineers.

A swindler who gives the name of S. E. Stark has within the past month appeared in Missouri with fictitious checks drawn on the New Orleans Home Trust Co., New Orleans, La. This is, without doubt, the same crook whose operations were reported under the name of James T. Sons on page 684 (first column) of the May, 1911, Journal. A banker in a small Missouri town relates the following story of the manner in which Stark successfully swindled him:

"On Wednesday, May 10th, a small, well-dressed, elderly man alighted from an eastbound train at about 2:30 P. M. Shortly afterwards he called on me and introduced himself as S. E. Stark, and stated that he was the general agent for the New Orleans Home Trust Co. of New Orleans. He said that he was in search of a local agent to handle and solicit loans on farm lands for his company. Stark explained that the institution he represented would pay a commission of 2 per cent on such loans. After a lengthy conversation with him I entered into a written agreement with Stark whereby I was to act as local agent for the New Orleans Home Trust Co. and was to handle loans on farm lands for them on a basis of 2 per cent commission. Stark then left me, returning later in the day and further talked over matters. In the course of our conversation Stark mentioned that he had received a draft from the New Orleans Home Trust Co. to meet current expenses, and asked me if I would kindly cash the draft. I, of course, readily consented to do this. A few days later, however, the draft was returned to me protested, and I then realized that Stark was nothing but a clever and plausible swindler."

The most recent description obtained would show Stark to be a man about 65 years of age, 5 ft. 5 or 6 in. tall, medium build, weighing probably 140 lbs., quick and active for his age, piercing dark brown eyes, gray (nearly white) hair, closely trimmed white mustache, faintly sprinkled with black, white eyebrows, wore expensive well-fitting clothes, has a habit of winking his eyes and twisting his shoulders, seemed to limp slightly as if one leg were shorter than the other. We publish herewith a sample of the check that Stark is issuing. Incidentally there is no such institution in New Orleans as the New Orleans Home Trust Co., and it is of course apparent that the check forms used by Stark, which are printed on pale blue safety paper, were prepared especially for his use.

No. <u>3424</u>	NEW ORLEANS, LA., <u>April 17, 1911</u>	<u>19</u>
PAY TO THE ORDER OF <u>S. E. Stark, General Agent,</u>		<u>310</u> \$28.80
Twenty eight and 80/100		DOLLARS
To New Orleans Home Trust Company, NEW ORLEANS, LA. }		<u>31 90</u> <i>W. H. Moore</i> PRES.

Checks ranging in amount from \$50 to \$100, bearing the signatures "J. L. Sanford" and "J. S. Barnes" have recently been cashed in Texas. These checks are drawn on a Vicksburg, Mass., bank, where there is no account in either of the above names.

A bogus check operator has recently made his appearance in the Middle West with worthless checks drawn on a Grand Rapids, Mich., bank. These checks purport to be signed by the Harris-Nelson Advertising Co. They are made payable to A. C. Speth.

Page 685 (first column) of the May, 1911, Journal contains an article concerning the arrests of Chas. McKimsie and Heine Bowers, both of whom were implicated in the burglary of a bank (M) in Hudson, Kans., in which \$4,598.25 were stolen on the night of March 23, 1911. Bowers' arrest was brought about by means of a raid made by the Hutchinson, Kans., police on a yegg camp located on the outskirts of Hutchinson. When Bowers was arrested the authorities also took into custody two of his companions named Walter Berger, alias Walter Curnard, alias Texas Whitey, and George Woods. Our detective agents, the William J. Burns National Detective Agency, in their investigation of the Hudson, Kans., burglary, secured evidence implicating Berger and Whitey in this crime. Bowers, it will be noted from the May Journal, has been sentenced to serve a life term in the Kansas State Penitentiary for murder, while McKimsie, Berger and Woods are now being held for trial in default of \$3,000 bail each, for the burglary.

On May 13, 1911, one William J. Harte, presented to the paying teller of a New York bank (M) a check for \$148.35. The paying teller discovered that the check was a forgery, and immediately telephoned to our detective agents, the William J. Burns National Detective Agency, while Harte was detained at the bank. A representative of our detective agents proceeded to the bank and after questioning Harte, suggested that an officer be called in and that he be placed under arrest. This was done and Harte is now lodged in Tombs Prison, New York City, awaiting trial, in default of \$2,500 bail. His description is 22 years of age, 5 ft. 9 in. tall, 150 lbs., smooth shaven, thin face, dark complexion, dark hair, brown eyes, intelligent talker, good appearance, neat dresser. His occupation is that of an electrician. Efforts are being made by the Burns Agency to strengthen the case against Harte, so as to ensure his conviction.

Page 594 (first column) of the April, 1911, Journal contains an article in regard to W. H. Mason who defrauded a Springfield, Mass., bank (M) by obtaining from them cash on worthless checks. Mason left town immediately after committing the crime, and went to Providence, R. I. The police of that city took him into custody on May 7, 1911, and he has since been returned to Springfield, where he now awaits trial.

On May 13, 1911, the Protective Department received a telegram from a Ft. Wayne, Ind. bank (M) advising them that one Andria Stelcheff and Spiro Alexsi had jointly defrauded that institution of several hundred dollars through the commission of a forgery. The matter was immediately referred to our detective agents, the William J. Burns National Detective Agency. Information was developed showing the men to have departed for New York, and to have left there on the S.S. Lusitania for England on May 10th. This information was immediately cabled by the New York office of the Burns Agency to their representatives in London, England. The London representative then conducted an investigation at Fishguard where the Lusitania had docked, but found that the men had not left the vessel at that point. An operative was then detailed to undertake an investigation at Liverpool where he succeeded in determining that the men had left the steamer at that point. A thorough investigation was then conducted in Liverpool by the representative of the Burns Agency, with the result that, with the co-operation of the Liverpool police authorities, the Burns Agency representa-

tive was successful in causing the arrest of Stelcheff in Liverpool just as he was about to leave for Hamburg on May 16th; and on that same day the Burns Agency representative located Alexsi in a Liverpool lodging house, and immediately caused his arrest. In the meantime, prompt steps were taken with the authorities of Washington, D. C., so that the men would be detained until the arrival of an officer from Ft. Wayne, Ind., to bring the prisoners back to this country. After their arrest the men were taken to London where they were given a preliminary hearing, and were held to await the arrival of the officer from Ft. Wayne. Subsequently, Lieut. Eisenhut, of the Ft. Wayne police department, was detailed to proceed to London to bring the prisoners back, and as this journal goes to press, he is enroute to Ft. Wayne with both of the men.

A report was received from a bank (M) in Cairo, Ill., that on September, 6, 1910, one A. S. Cauble had swindled the bank by means of a promissory note bearing forged indorsements. Our detective agents, the William J. Burns National Detective Agency, undertook an investigation of this case which resulted in Cauble being located by them in East St. Louis, Ill., and on May 19th, co-operating with the local police, the Burns Agency brought about Cauble's arrest. He has since been returned to Cairo for trial. Cauble's description is 55 years of age, weight 190 lbs., heavy build, square shoulders, stands erect, black hair tinged with gray, black mustache.

Page 472 (first column) of the February, 1911, Journal, and page 593 (first column) of the April, 1911, Journal contain articles concerning Lloyd R. H. Light, who has operated extensively with bogus checks throughout the country. On May 12th, Light presented one of his fictitious checks to a hotel in Portland, Ore. The cashier was suspicious, and upon ascertaining that the check was worthless, had Light placed under arrest. It has since developed that the case against Light in Portland is very weak, and the Protective Department and California Bankers' Association, through its detective agents, the William J. Burns National Detective Agency, is now actively engaged in an effort to have Light returned to Venice, Cal., for trial, for having defrauded a bank (M) in that city with one of his worthless checks.

On May 4, 1911, a report was received from a bank (M) in Little Rock, Ark., to the effect that that institution had suffered a loss of several thousand dollars through cashing twelve forged checks against the account of one of its depositors. Acting in behalf of the American Bankers Association and the Arkansas Bankers' Association, our detective agents, the William J. Burns National Detective Agency, started an immediate investigation of this case and traced the forgeries to one Jos. E. Lynch. Continuing their investigation of the case, the Burns Agency developed information to the effect that Lynch had departed for Memphis, Tenn. An operative of that agency, immediately proceeded to Memphis, and late that night (May 4th) located Lynch in that city. He was at once placed under arrest and returned to Little Rock, where he is now lodged in jail awaiting trial in default of \$2,400 bail. Lynch is described as 24 years of age, 5 ft. 7 in. tall, 125 lbs., slim build, blue eyes, smooth shaven, light complexion. His occupation is that of canvasser.

On April 23, 1911, a bank (M) in Cleveland, Ohio, reported to the Protective Department that it honored two checks bearing forged indorsements. Investigation of the case by our detective agents, the William J. Burns National Detective Agency, proved that the crime had been committed by one Miss Amanda J. Butler. Our detective agents determined that this woman had left Cleveland, and they finally succeeded in locating her at Gladwin, Mich., where she was found living under the name of Mrs. Rudolph Rode, having married since the commission of the forgery. Our detective agents immediately detailed an operative to proceed to Gladwin where, co-operating with the local authorities, they brought about Mrs. Rode's arrest.

She has since confessed to the crime, and now awaits trial in Cleveland, to which point she was returned after her arrest.

On May 17, 1911, a check for \$347.45, purporting to be signed by a depositor, was presented to the paying teller of a New York City bank (M). The paying teller noticed a defect in the signature and detained the presenter of the check until the arrival of the police. When taken to New York police headquarters the party gave the name of Chas. Dean, 18 years of age, 5 ft. 7 in. tall, 135 lbs., light, sandy, bushy hair, fair skin, neat dresser. Dean stated that the check had been handed to him by two men who promised him \$100 if he would have same cashed. To verify the story the police had Dean take them to the place where he said he had met these men. Arriving there Dean designated to the police the two men in question. These men were immediately taken into custody. They gave their names as Joseph Altarta and George Parrozza. Investigation developed the fact that both Altarta and Parrozza are old-time crooks. Altarta previously having employed the alias of Nicholas Fliengerli, alias Philip Stanley, alias Flying Jerry. His description is 23 years of age, 5 ft. 8 in. tall, weighs 140 lbs., slim build, dark skin, dark hair, dark eyes. Parrozza is also known as Joseph Nicoletti. He is 18 years of age, 5 ft. 4½ in. tall, weight 125 lbs., medium build, dark hair, dark skin, dark eyes. Both are Italians. Our detective agents, the William J. Burns National Detective Agency, are at present at work making an effort to insure the conviction of the three men named, who are lodged in Tombs Prison, awaiting trial.

At about 1:10 p. m., on afternoon of May 8th, a man, rather roughly dressed, entered the premises of a bank (M) in Portland, Ore., and stepping up to the paying teller's window demanded that the teller hand him the money which was in the tray at the side of the window. The man presented a revolver, pointing it at the teller to enforce his demands. The President of the bank, who was sitting at a table some little distance away, observing what was transpiring, jumped up, ran to the counter, grabbed a revolver which was lying underneath, and shot twice at the robber. The shots ran wild, however, and lodged in the wall about 20 feet away. The robber in turn shot once at the President but missed and then ran out of the bank, mounted a bicycle which was standing in front and rode down the street. In the meantime the cashier of the bank took the gun from the President and followed the man, taking two or three shots at him. As the man turned the street corner, which was somewhat muddy, his wheel slipped from under him, and he fell in a mud-puddle. A passing teamster, noticing the situation, jumped from his wagon, grabbed the man, disarmed him, and held him until the police arrived. The man was taken to police headquarters where he gave the name of August Echardt. He claimed to be a resident of Portland and stated that he conducted a machine shop in that city. He also stated that he was an inventor and was badly in need of money to secure a patent on a device which he had invented. Echardt was unsuccessful in securing any of the bank's funds, and is now confined in the county jail awaiting trial.

On May 9, 1911, a telegram was received by a bank (M) at Wapakoneta, Ohio, reading as follows: "Pay George W. Warren one hundred and seventy-five dollars. Waive identification. Draft following."

This telegram purported to be signed by a bank in Little Rock, Ark. On May 8th a bank in Sydney, Ohio, had received a somewhat similar telegram purporting to come from the Little Rock bank. The Sydney bank subsequently learned that the telegram was bogus and the cashier obtained information that the person to whom the money was paid on this telegram, had evidently departed for Wapakoneta. He, therefore, telephoned to the Marshal in that town advising him to be on the lookout for the swindler, with the result that when the party appeared at the bank in Wapakoneta he was immediately placed under

arrest. It developed that this swindler's correct name is Warran Hank, 40 years of age, 6 ft. 2 in. tall, weight 225 pounds, dark brown hair, smooth shaven, brown eyes, sallow complexion. He is now lodged in jail awaiting trial.

On page 686 (second column) of the May, 1911, Journal, is published the photograph of H. Lee Russell, together with an article concerning his arrest. Following the arrest of Russell by our detective agents, the William J. Burns National Detective Agency, information has been developed showing that he defrauded a bank (M) in Austin, Texas. Arrangements are now being made to have Russell ultimately extradited to Austin so that he may stand trial there after serving his term for the offences committed by him in Los Angeles.

Page 591 (first column) of the April, 1911, Journal contains an article concerning the operations of one Henry Clay who defrauded a bank (M) in Hoquiam, Wash., by means of a worthless check. Following his flight from Hoquiam, it appears that Clay went to Crescent City, Cal., where he entered into certain negotiations with a bank (M) in that city. The cashier of the bank in question, however, had read the article appearing in the Journal concerning Clay, and immediately notified the authorities at Hoquiam, and Clay was promptly placed under arrest. He has since then returned to Hoquiam where he is now lodged in jail awaiting trial.

Howard E. Farnsworth, alias Howard E. Miller, etc., is still active. He appeared last month in Boston where he succeeded in cashing one of his worthless checks drawn on a bank in Montgomery, Ala., and purporting to be certified by that institution. Page 683 (first column) of the May, 1911, Journal contains the following information concerning this swindler:

He makes a contract to purchase land costing about \$2,000; he then secures an introduction to some local bank where he deposits a bogus certified check for \$300 or \$400. Later in the day he draws out about two-thirds of his "deposit" and immediately decamps. The description of this swindler is 38 years of age, 5 ft. 8 in. tall, weight 160 lbs., heavy build, square, broad shoulders, dark hair, dark eyes, light complexion, smooth shaven, good dresser, fluent, convincing talker.

Members are warned to be on the lookout for him and to immediately cause his arrest.



EDWARD BENTON.

Inasmuch as Edward Benton, alias Wilson, alias Jordan, alias Monroe, alias Dow, etc., is still active, having recently made his appearance in the New England States, we again publish herewith his photograph, together with the following information concerning his mode of operation (which was last published on page 409 of the January, 1911, Journal):

Benton claims to represent an Eastern machinery concern that is about to open a branch establishment. He rents a vacant loft or store, for which he executes a two- or three-year lease, and arranges with the owner of the building to introduce him to the cashier of a local bank. His next move is to deposit with the bank a check for \$500 to \$1,000 on a New York, Boston or other Eastern bank. This check purports to be certified and bears the forged signature of the firm which Benton claims to represent. Benton then has business cards, letter heads, etc., printed, purchases office furniture and office supplies, arranges for the installation of a telephone, engages office help—in fact, he appears to be doing everything that would ordinarily be expected of a business man who is about to engage in a legitimate business venture. The day following his first appearance at the bank, Benton approaches the cashier with a story to the effect that he requires some ready cash to meet current expenses, and he usually expresses a desire to draw about two-thirds of his deposit. As a rule, his wish is promptly gratified and he pockets the cash and leaves town. A few days later the certified "check" is returned marked "No Account," while the stationer, the printer, the furniture dealer, the telephone company and others vainly seek Benton, who in his flight has of course managed to leave no trace behind him. This swindler, who employs numerous aliases, is described as 40 years of age, 5 ft. 8 in. tall, weight 190 lbs., medium chestnut hair, fair complexion, scar on ridge of nose, has a cast in his left eye. He speaks in a soft, pleasing manner, and usually carries his hands in his pockets. His whole manner is such as to convince the average person that he is a reputable business man.

This department is in receipt of information to the effect that a party is passing worthless checks in Detroit, Mich., and vicinity, using the regular check blanks of the Traders Bank of Canada, Hamilton, Ont., Branch, purporting to be drawn by John B. Kent, and made payable to and indorsed by Geo. F. Kent. These checks are for \$75 each. He is also drawing a draft on the printed form of J. M. Singer & Co., Cleveland, Ohio, for \$80. This draft is against a Cleveland, Ohio, bank. The name of the bank is put in with a rubber stamp. The draft is payable to Paul E. Singer, and indorsed in that name. This party also indorses the names of local business men.

This Department is in receipt of information to the effect that on May 26, 1911, a party representing himself to be Chas. Holden, a guide of Upper Saranac and Racquette Lakes, N. Y., went to the office of the Ford Sales Co., at Utica, N. Y., and purchased a Ford runabout, and in payment for same presented a certified check drawn by the Chateaugay Navigation Company on the Royal Bank of Canada, Montreal Branch, for \$3,000. In return for this check the Ford Sales Co. gave their check on the Citizens Trust Co., Utica, N. Y., for \$2,176.05, which was later certified by that bank. Holden then left Utica with his new Ford Torpedo car. This car is dark blue with white stripes on the spokes, and its number is 52,366. The \$3,000 certified check above referred to was deposited by the Ford Sales Co., and was later returned to them marked "no account and forged certification." If this check for \$2,176.05, payable to Chas. Holden, should be presented, hold same and have the party presenting it arrested, and advise this Department or our detective agents at once.

We have later been advised that Charles Holden (whose right name is Fridge Riach, Short Hills, N. J.), purchased from the American Express Company, Utica, N. Y., in exchange for the certified cheque of the Ford Sales Co., travelers' cheques of the following denominations: 30@ \$20, No. 8729090-8729099; No. 8768890-8768909; 10@ \$50, No. 3063560-3063569; 10@ \$100, No. 4263790-4263799.

The express company have informed us that the following cheques have been cashed by Holden: 23@ \$20, No. 8729094-8729099; No. 8768890-8768891; No. 8768895-8768899; No. 8768900-8768909; 2@ \$50, No. 3063560-3063561.



GEORGE HOWARD.

Several months ago a bank (M) in Bentonville, Ark., received through the mails a check purporting to be signed by one of its depositors. This check was accompanied by a request that the bank remit by check, less exchange, to the sender of the check at a hotel in another city. The bank had honored the check, which later proved to be a forgery. On May 12th, the bank received a somewhat similar letter from Joplin, Mo., containing a check, bearing what purported to be the signature of a depositor and requesting that the bank remit to the sender of the



THOMAS D. WAYNE.

check at a Joplin hotel. The bank immediately notified the Kansas City office of our detective agents, the William J. Burns National Detective Agency, who then suggested that the bank send a decoy letter to the party in question. An operative from the Burns Agency was then sent to Joplin to take up the matter, and upon his arrival in Joplin he found that the party who requested the letter to be sent to the hotel in question was not registered at that hotel. A careful watch was therefore kept on the hotel, until on May 14th, a person called for mail addressed to the person in question. Arrangements were then made by the operative from the Burns Agency whereby he, together with a local police officer, followed the party who called for the letter and saw him connect with a second party. Both men were immediately placed under arrest. One gave his name as Geo. Howard, 40 years of age, 5 ft. 8½ in. tall, 122 lbs., slender build,

chestnut sandy hair, blue gray eyes, dark complexion. The man arrested with him gave the name of Thos. Wayne, 30 years of age, 5 ft. 6½ in. tall, weight 142 lbs., medium build, chestnut brown hair, hazel brown eyes, sandy complexion, sandy moustache.

Upon investigation it transpired that the manner in which these swindlers operated was as follows: Howard would meet a prosperous looking farmer and engage him in conversation, thus learning where he lived. He would ask him about the banks in his town; which one was good to do business with, and where the party did his banking. He would then, in a casual way, inquire about the price of land and the different tracts for sale, stating that he wished to purchase a farm and would promise to probably call on the farmer later and ask him for his address. In this manner he got the farmer to sign his name in what appeared to be a blank book, but which was so arranged with a double leaf, closed at the end, to conceal a blank check and the farmer actually signed his name to the check. The amount would then be filled in, together with the date and the name of the payee; also the name of the bank on which the check was intended to be drawn. This would be mailed to the bank in question, with the request to send a draft in lieu thereof to the writer at a hotel in another city. Subsequently the bank's draft would be cashed at a local bank without any difficulty. Of course, when the farmer had his account balanced, the forged check would appear among his vouchers and he would absolutely deny signing the check.

Members are warned to be on the lookout for a swindler employing the name of A. Wright, alias Chas. Cole, who is circulating worthless checks drawn on a Birmingham, Ala., bank, which purport to be signed by the Southern Security & Trust Co. This swindler's description is given as follows: Forty-five years of age, 5 ft. 8 in. tall, weight 150 lbs., dark hair, small, deep set, black eyes, thin face, prominent chin, smooth shaven, has a noticeable limp in his right leg.

A specimen of his handwriting is reproduced below.

A. Wright
Tuesday
2/21/11

In the May, 1911, Journal (page 683, second column) and in earlier issues of the Journal, we published warning notices concerning one Charles D. W. Sturup, who, under the fraudulent representation that he was a sailor belonging to the U.S.S. "Constellation," has defrauded members in New York and New Jersey out of small sums on worthless drafts. On the afternoon of May 26th, Sturup appeared at a bank (M) in Englewood, N. J. He asked for a blank draft, which was given to him by one of the clerks. He filled out the draft in the sum of five dollars; it was drawn on a Buffalo, N. Y., bank (M). Sturup then presented the draft to the cashier, who stated that it would be necessary to have the draft indorsed by some responsible party before the bank would advance any money on the draft. Sturup then went to the local postmaster and managed to obtain his indorsement to the draft. The cashier had, however, assured himself that Sturup was a swindler, and as soon as Sturup returned to the bank the cashier caused his arrest. It developed on investigation that Sturup had defrauded an Arlington, N. J., bank, and it was decided to turn him over to the Arlington authorities, as the case against him in that city was stronger than that in Englewood. Sturup was, therefore, delivered into the custody of the Arlington police. He was subsequently turned over to the authorities of Hudson County, N. J., and now awaits

trial in Jersey City. The Protective Department, through its detective agents, the William J. Burns National Detective Agency, is making every effort to present a strong case against Sturup so that he may be ensured a long prison term.

Page 154 (first column) of the September, 1910, Journal contains an article concerning the arrest of Samuel H. Keeler, alias Geo. W. Fischer, in connection with the defrauding of a Cincinnati, Ohio, bank (M) by means of a worthless check. Keeler has since been brought to trial in Cincinnati, and on May 6th was given a suspended sentence of one year.

In the November, 1910, Journal, on page 306 (first column) an article appears regarding the arrest of Roger Stephens who forged a check on a Boonville, Ind., bank (M). Stephens has since been brought to trial and convicted of the charge. He has been given a suspended sentence.

On page 215 (first column) of the October, 1910, Journal there was published an article relating to the arrest of S. Blum who defrauded a Cleveland, Ohio, bank (M) by means of a forged check. Blum was brought to trial at Cleveland, Ohio, and was sentenced to the Cuyahoga County Workhouse.

An article detailing the arrest of L. M. Hunter, alias J. Colby Harrington, appeared on page 474 (second column) of the February, 1911, Journal. Hunter was brought to trial in Charlotte, N. C., for defrauding a bank (M) in that city by means of a worthless check, and has been given a sentence of twelve (12) months in the workhouse.

The arrest of F. Von Gordon is recorded on page 474 (second column) of the February, 1911, Journal. Von Gordon, who defrauded a St. Louis, Mo., bank (M) by means of a worthless check, has been sentenced to serve one year in the St. Louis House of Correction.

The arrest of A. D. Smith, Jr., who defrauded a Waurika, Okla., bank (M) by means of a forgery, was published on page 474 (first column) of the February, 1911, Journal. Smith was recently brought to trial for a forgery perpetrated on a Beloit, Kans., bank (M), and on May 5, 1911, was given an indeterminate sentence of five to ten years in the Kansas State Penitentiary.

Page 596 (second column) of the April, 1911, Journal shows an article relating to the arrest of Chas. A. McElaney in connection with the forgery of a check drawn on a Boston, Mass., bank (M). McElaney was brought to trial in Brighton, Mass., on May 9th, and was then given a suspended sentence.

On May 19, 1911, A. H. Templeton, alias A. J. Reynolds, was sentenced to serve ten years in the Alabama State Penitentiary, for attempting to defraud a Birmingham, Ala., bank with a worthless check. The arrest of this swindler was recorded on page 529 (second column) of the March, 1911, Journal.

The March, 1911, Journal, page 530 (first column) contains an article concerning W. E. King, who defrauded a Troy, Kans., bank (M) with a worthless check. King was brought to trial and has since been sentenced to serve two years in the State Penitentiary at Jefferson, City, Mo., for attempting to defraud a Marshall, Mo., bank (M).

Page 405 (first column) of the January, 1911, Journal contains an article concerning the arrest of William M. Byrd, who defrauded a Joplin, Mo., bank (M). Byrd was recently brought to trial and was then given a suspended sentence.

In the April, 1911, Journal, on page 593 (first column) is recorded the arrest of Roy Cunningham

who defrauded a Guthrie, Okla., bank (M) through a forged check. Cunningham was brought to trial and has been sentenced to serve a term of three to five years in the Oklahoma State Penitentiary.

W. A. Fuller's arrest was published on page 594 (first column) of the April, 1911, Journal. This swindler defrauded a Taunton, Mass., bank (M). He has since been sentenced to serve a term of seven months in the Boston, Mass., county jail.

Page 594 (second column) of the April, 1911, Journal contains an article regarding Chas. R. Bynon, who passed a forged check on a Claysville, Pa., bank (M). Bynon, when brought to trial, was convicted of the charge, and given a suspended sentence of one year.

The March, 1911, Journal, page 530 (second column) contains an article concerning the arrest of Thos. Milton Waller, who attempted to perpetrate the fake telegram swindle upon a Morse, Kans., bank (M). Upon being brought to trial Waller pleaded guilty to the charge. He was fined \$50 and costs and was then released.

Page 684 (second column) of the May, 1911, Journal contains an article concerning the arrest of D. A. Sapio, who passed forged checks on a Chicago, Ill., bank (M). Sapio was brought to trial in Chicago on May 9th, and was then sentenced to serve six (6) months in the House of Correction.

In the May, 1911, Journal, on page 684 (second column) there appears an article concerning Russell E. Keinner, alias Geo. Costan, who passed a worthless check on a Pensacola, Fla., bank (M). On April 27, 1911, this criminal was given a sentence of five years in the Florida State Penitentiary.

The arrest of Jos. A. Hull is recorded on page 685

(first column) of the May, 1911, Journal. Hull, who defrauded a Phoenix, Ariz., bank (M) was recently brought to trial in Cleveland, Ohio, in connection with the passing of a worthless check on a hotel in that city, and was then given a sentence of four years in the Ohio State Penitentiary.

Page 681 of the May, 1911, Journal contains an article concerning the arrest of several yeggmen, among them Frank Graham. Graham was recently brought to trial in Detroit, Mich., on the specific charge of burglarizing a Michigan post-office, and is now serving an indeterminate sentence of from three to five years in the Marquett, Michigan, prison.

As the Journal goes to press we are in receipt of telegraphic advices, that on the morning of May 26, 1911, burglars entered the premises of a Tea, S. Dak., bank (M), blew open the safe and made off with \$1,000. The men escaped on a hand car and were followed by the local authorities into Sioux Falls, S. Dak., where three of the them were arrested and \$642 was recovered. These men are being held in custody at Sioux Falls. One has been identified as Jim O'Neill, alias Ed. Gorden, alias George Reilly; the other as Ed. Doyle, alias Ed. Mack. The third man gives his name as George Reed.

Page 306 (second column) of the November, 1910, Journal contains an article regarding the arrest of Walter Johnson, alias J. V. Coker, who defrauded a Morris, Okla., bank (M) by means of a forgery. Johnson has been sentenced to serve two years in the Oklahoma Reform School.

In the December, 1910, Journal, page 341, was published an article on the finger-print method of identification as applied to banks. We reproduce on page 737 an article, which appeared in the "New York Globe," which will be of interest to our members.

STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.

AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.

From September 1, 1910, to May 31, 1911.

New York, June 1, 1911.

Persons arrested, convicted, sentenced, awaiting trial, etc.

	Awaiting Trial Sept. 1, 1910.	Arrests From Sept. 1, 1910, to April 30, 1911.	Arrests in May, 1911.	Total.	Convicted.	Released.	Escaped or Fugitives.	Suicide or Died.	Awaiting Trial.
Alleged Forgers, etc.,	50	108	17	175	78	30	4	1	62
Burglars	5	14	7	26	5	5	1	..	15
Hold-up Robbers.....	2	1	1	4	2	1	..	..	1
Sneak Thieves	..	..	..	..	..	..	..	..	..
	57	123	25	205	85	36	5	1	78

ALLEGED FORGERS, ETC.

May 20, Mrs. Rudolph Rode, arrested in Gladwin, Mich.; charged with defrauding Cleveland, O., bank by forging indorsements to two checks; returned to Cleveland; awaits trial there.

May 17, Chas. Dean, Joseph Altarta and George Parrozza arrested in New York for attempting to pass forged check on New York bank (M); await trial in New York.

May 13, William J. Harte, arrested in New York.

for attempting to pass forged check on New York bank (M); awaits trial in New York.

May 6, W. H. Mason, arrested in Providence, R. I.; returned to Springfield, Mass., for defrauding Springfield bank with worthless check; awaits trial in Springfield.

May 16, Andria Steicheff and Spiro Alexsi, arrested in Liverpool, Eng., for forgery committed on Fort Wayne, Ind., bank (M); returned to Fort Wayne for trial.

May 19, A. S. Cauble, arrested in East St. Louis,

Ill., charged with defrauding Cairo, Ill., bank by forged indorsements; returned to Cairo, Ill., where he awaits trial.

May 12, Loyd R. H. Light, arrested in Portland, Ore.; is also wanted in Venice, Cal., for passing bogus check on Venice bank (M); awaits trial in Portland.

May 4, Jos. E. Lynch, arrested in Memphis, Tenn., for defrauding Little Rock, Ark., bank (M) with forged checks; returned to Little Rock, where he awaits trial.

May 14, Geo. Howard and Thos. Wayne, arrested in Joplin, Mo., for attempting to pass forged check on Bentonville, Ark., bank (M); awaits trial in Joplin.

May 26, Chas D. W. Sturup, arrested in Englewood, N. J., and returned to Arlington, N. J., and later to Jersey City, N. J., for trial; is wanted for defrauding members with worthless drafts; awaits trial in Jersey City, N. J.

Apl. 13, H. Lee Russell, arrested in Los Angeles, Cal.; defrauded Austin, Tex., bank (M) with worthless check; awaits trial in Los Angeles.

May —, Henry Clay, arrested in Crescent City, Cal.; defrauded Hoquiam Wash., bank (M) with worthless check; returned to Hoquiam, where he awaits trial.

May 9, Warren Hank, arrested in Wapakoneta, O., for attempting to defraud Wapakoneta bank (M) with forged telegram; awaits trial in Wapakoneta.

Sam'l. H. Keeler, alias Geo. W. Fischer—given suspended sentence of one year for defrauding Cincinnati, O., bank (M) with worthless check; arrest reported in Sept., 1910, Journal.

Roger Stephens—given a suspended sentence; committed forgery on Booneville, Ind., bank (M); arrest reported in Nov., 1910, Journal.

S. Blum—sentenced to the Cuyahoga County, O., workhouse; defrauded Cleveland, O., bank (M); arrest reported in Oct., 1910, Journal.

L. M. Hunter, alias J. Colby Harrington—sentenced to twelve months in the Charlotte, N. C., workhouse; defrauded Charlotte bank (M) with bogus check; arrest reported in Feb., 1911, Journal.

F. Von Gordon—sentenced to serve one year in St. Louis House of Correction; defrauded St. Louis, Mo., bank (M) with bogus check; arrest reported in Feb., 1911, Journal.

A. D. Smith, Jr.—given indeterminate sentence of five to ten years in Kansas State Penitentiary, for forgery committed on Beloit, Kans., bank (M); also committed forgery on Waurika, Okla., bank (M); arrest reported in Feb., 1911, Journal.

Chas. A. McElaney—given a suspended sentence; committed forgery on Boston, Mass., bank (M); arrest reported in Apl., 1911, Journal.

A. H. Templeton—given ten years in Alabama State Penitentiary, for attempting to defraud Birmingham, Ala., bank (M) with bogus check; arrest reported in March, 1911, Journal.

W. E. King—given two years in Jefferson City,

Mo., State Penitentiary, for attempt to defraud Marshall, Mo., bank (M); arrest reported in Mar., 1911, Journal.

Wm. M. Byrd—given a suspended sentence of two years; passed worthless check on Joplin, Mo., bank (M); arrest reported in Jan., 1911, Journal.

Roy Cunningham—given indeterminate sentence in Oklahoma State Penitentiary, for passing forged check on Guthrie, Okla., bank (M); arrest reported in Apl., 1911, Journal.

W. A. Fuller—given a sentence of seven months in Boston, Mass., county jail, charged with forgery; had defrauded Taunton, Mass., bank (M) by means of forged check; arrest reported in Apl., 1911, Journal.

Chas. R. Bynon—given a suspended sentence of one year for forged check passed upon Claysville, Pa., bank (M); arrest reported in Apl., 1911, Journal.

Thos. Milton Waller—was convicted for attempt to perpetrate "fake telegram" swindle on Morse, Kans., bank (M); fined \$50 and costs and released; arrest reported in March, 1911, Journal.

D. A. Sapio—given six months in Chicago House of Correction, for forgery committed on Chicago bank (M); arrest reported in May, 1911, Journal.

Russell E. Keinner, alias Geo. Costan—given a sentence of five years in Florida State Penitentiary, for passing bogus check on Pensacola, Fla., bank (M); arrest reported in May, 1911, Journal.

Walter Johnson, alias J. V. Coker—given sentence of two years in Oklahoma Reform School, for committing forgery against Morris, Okla., bank (M); arrest reported in Nov., 1910, Journal.

Jos. A. Hull—given sentence of four years in Ohio State Penitentiary, for passing bogus check in Cleveland, O.; also defrauded Phoenix, Ariz., bank (M) with worthless check.

BURGLARS.

Apl. 17, Walter Berger and George Woods, arrested at Hutchinson, Kans.; have been identified as participants in burglary of Hudson, Kans., bank (M), committed last March; both men await trial at Hutchinson, Kans., in company with Chas. McKimsie, previously arrested for this crime.

May 13, Mike Connors and Frank Morris, arrested at —, for attempted burglary of Layton, Utah, bank (M); both await trial at Layton.

May 26, Jim O'Neill, Ed. Doyle and Geo. Reed, arrested in Sioux Falls, S. Dak., for burglarizing Tea, S. Dak., bank (M); await trial at Sioux Falls.

Frank Graham—given an indeterminate sentence of three to five years in Marquette, Mich., prison, for burglarizing a Michigan post-office; was also implicated in burglary of a Riga, Mich., bank (M).

HOLD-UP ROBBERS.

May 8, August Eckhardt, arrested in Portland, Ore., following unsuccessful attempt to perpetrate hold-up on Portland, Ore., bank (M); awaits trial in Portland.

AWAITING TRIAL, MAY 1, 1911.

ALLEGED FORGERS, ETC.

Eug. C. Brockaw.....Chicago, Ill.
Irving G. Crocker.....Chicago, Ill.
S. M. Griggs.....San Francisco, Cal.

Wm. J. Jones.....Claremore, Okla.
Floyd Koon.....Chicago, Ill.
W. J. Williams.....Richland, Ga.
J. W. Sharick.....Scottsburg, Ind.

A. W. Euard.....Pueblo, Colo.
 Edw. F. Duffy.....Newark, N. J.
 Howard C. Stanley.....New York City.
 Earl Samuel.....Nashville, Tenn.
 A. F. Strange.....Abilene, Kans.
 H. F. Worley.....Hope, Ark.
 G. R. Jones.....Los Angeles, Cal.
 J. E. Whitney.....Jacksonville, Fla.
 Geo. Bitter.....Groton, S. Dak.
 Geo. S. Hart.....Detroit, Mich.
 Leopolt Muller.....Jamestown, N. Dak.
 Jack Truscott.....Helena, Mont.
 L. B. Price.....Clarksburg, W. Va.
 John Box.....Los Angeles, Cal.
 Walter Hester.....Los Angeles, Cal.
 Frank Kunza.....Detroit, Mich.
 F. B. Hatfield.....Winkelman, Ariz.
 F. A. Olasz.....Pittsburg, Pa.
 S. H. Gray.....Athens, Tenn.
 Ollie Hilliards.....West Newton, Pa.
 Hume H. West.....Baltimore, Md.
 Chas. M. Meeker.....Dalhart, Tex.
 R. L. Peeples.....Birmingham, Ala.
 John C. Walsh.....Brooklyn, N. Y.
 Walter E. Neal.....Scottsburg, Ind.
 John J. Walsh.....New York City.
 Wm. Nance.....Bixby, Okla.
 Ernest Bernard.....New York.
 Jules H. Frost.....Trenton, N. J.
 Chas. H. Frost.....Albany, N. Y.
 Geo. Lenzy.....Oklahoma City, Okla.
 Sam'l. Baker.....Shreveport, La.
 Wm. P. McVoy.....Brooklyn, N. Y.
 Geo. Leopold.....Dennison, Ia.
 Chas. Barrett.....Portland, Ore.
 Orville Cavaness.....Portland, Ore.
 James Whalen.....Portland, Ore.
 Ed. I. Wheeler.....Portland, Ore.

Mrs. Rudolph Rode.....Cleveland, O.
 Chas. Dean.....New York City.
 Jos. Altarta.....New York City.
 Geo. Parrozza.....New York City.
 W. H. Mason.....Springfield, Mass.
 Andria Stelcheff.....Fort Wayne, Ind.
 Spiro Alexsi.....Fort Wayne, Ind.
 A. S. Cauble.....Cairo, Ill.
 Lloyd R. H. Light.....Portland, Ore.
 Jos. E. Lynch.....Little Rock, Ark.
 Geo. Howard.....Joplin, Mo.
 Thos. Wayne.....Joplin, Mo.
 Chas. D. W. Sturup.....Jersey City, N. J.
 H. Lee Russell.....Los Angeles, Cal.
 Henry Clay.....Hoquiam, Wash.
 Warren Hank.....Wapakoneta, O.
 Wm. J. Harte.....New York City.

BURGLARS.

Felix Brock.....Columbus, O.
 John Carmody.....Columbus, O.
 John Norton.....Toledo, O.
 C. R. Hamilton.....Toledo, O.
 Earl Redmond.....Toledo, O.
 Jos. Sherrer.....Toledo, O.
 Chas. McKimsle.....Hutchinson, Kans.
 Fred Walker.....Broken Arrow, Okla.
 Walter Berger.....Hutchinson, Kans.
 Geo. Woods.....Hutchinson, Kans.
 Mike Connors.....Layton, Utah.
 Frank Morris.....Layton, Utah.
 Jim O'Neill.....Sioux Falls, S. Dak.
 Ed. Doyle.....Sioux Falls, S. Dak.
 Geo. Reed.....Sioux Falls, S. Dak.

HOLD-UP ROBBERIES.

Aug. Eckhardt.....Portland, Ore.

ATTACKS UPON MEMBERS FROM SEPTEMBER 1, 1910, TO MAY 31, 1911.

		Losses.
Burglaries	8	\$21,797.76
Attempted Burglaries	{ Professional...11 } { Amateur.....8 }	19
Hold-up Robberies	1	3,200.00
Attempted Hold-up Robberies.....	1	.....
		<hr/> \$24,997.76



AMERICAN INSTITUTE OF BANKING BULLETIN



STOCKS AND BONDS.

By Herbert P. Wright of Kansas City—Interesting and Instructive Analysis of Different Kinds of Investment Securities—Address Before Kansas City Chapter of the American Institute of Banking.

"Stocks and Bonds" is a subject as wide as the ocean and in many cases I am sorry to say they look as if they were made of about the same material. The title not only covers the very highest development of financial operations and progress but it also covers the grossest rottenness and rascality. In a way the history of civilization has been the history of stocks and bonds. Business has developed, nations have expanded, the great enterprises of the world have succeeded, only as a large number of people have united in an orderly and legal way and combined their financial and physical strength to accomplish those things which would be impossible when operating singly as individuals. This concerted action has been through the instrumentality of stocks and bonds. I had always been of the opinion that corporations and stocks and bonds were creations of the last two or three centuries and that the prime purposes in their creation was that of limiting individual liability and of increasing efficiency. I find, however, that I am mistaken in both of these ideas. Corporations had their first origin in Rome in the days of the Roman republic and the controlling idea was that of perpetuity. I found in an interesting book a few days ago several quotations from the arguments of some progressive Roman Senators of the time favoring the creation of some kind of a legal association of individuals which would have a perpetual existence and have a body or corpus so that it could be definite and tangible enough to be reached by law the same as an individual, so that it could sue and be sued, so it could be sufficiently tangible to enjoy and exercise the rights of an individual person and yet far enough separated from any individual personality so that the changing of owners by death or otherwise would not affect the entity itself. When the subject was being

discussed in the Roman Senate I read that one old Senator used a queer illustration to show the idea that he was working on. He said that a carpenter can take a boat and by taking off one board at a time and replacing it with another make a new boat without one single stick left in it that was in the old boat, yet by so doing it is still the same old boat, and perhaps the work has been so gradually and cleverly done that the boat has been in service all the time. He also said that in the case of the human body there is supposed to be a constant waste of tissue that in time must cause the original body to disappear if it was not replenished, yet there must be some sort of restoration that keeps the same old body with its individuality although each particular particle of it may years ago have passed away. Then he asks why cannot some legal corpus be devised whereby all the people in a city shall be the associate particles and so arranged that the entity itself shall continue unimpaired regardless of the passing of the individuals which compose it. Quite naturally the first fruit of this idea was the municipal corporation. The Roman's idea was that of perpetuity, of combined effort and combined credit and resources. I can imagine what a bewildering idea this must have been in those chaotic times when the subject had never been thought out before. The man who invented the idea of corporations, although his name is forgotten, was a greater inventor than Edison, or Franklin, or Stephenson. The development of his invention has been amazing. It has covered alike the world's greatest progress and its greatest rascality. It has developed into the organization and government of cities, States and nations as well as those commercial organizations which we call stock companies. It is a far cry from the first idea of the Roman statesman to the definition of a modern corporation by a Wisconsin legislator when he defined the corporation as "A thing that lives nowhere and has no soul to damn and no pants to kick." In the almost limitless development of corporations the idea of making profit has outgrown that of integrity of management. Sooner or later the government will have to take charge of its incorporated offspring and stand sponsor for their acts to some extent. Perhaps without our noticing it particularly tremendous advances have been made in this direction in the last few years. Note the present careful

and scientific supervision of banking corporations and see what great advancement has been made during the last ten years. Note how swiftly the railroad corporations and insurance companies and industrial corporations are being brought to a higher plain of responsibility and integrity. There can be no doubt but that in a short time the elements of honor and conservatism will be as readily recognized and as well rewarded and as quickly rebuked in corporations as in individuals. We will come back to the old Roman's original idea that a corporation is simply an enlarged and perpetuated individual with all the individual's obligations for uprightness and integrity. Some day that Wisconsin statesman will find that his definition will not apply and that the corporation not only will have a home as clearly located as that of an individual but that it has both a soul to damn and pants to kick when its conduct makes such drastic punishment necessary.

The utopian day is, however, some distance off, and in the meantime it behooves us to study closely the twin children of this corporation idea, Stocks and Bonds.

In considering this subject this evening we will pass over with only a moment's attention that most interesting development—municipal bonds, which are generally conceded by all experts to be the very highest form of credit. Law makers have learned that in order to protect this high credit the laws governing issues and debt limitations must be clear and simple and absolute. As a result it is seldom that a municipal bond that has gone through the hands of a competent bond house with its usual physical and legal examinations involves any risk as an investment or objection as collateral. The only objection to them is that on account of their high grade they yield such a low rate of interest on the investment that most individuals feel that they can hardly afford to own them. Consequently the majority of municipal bonds are now going to large institutions, such as insurance companies, trust funds, security for public deposits, endowments, and funds of that class that are adjusted to a low rate of interest and where the absolute security of principal is the controlling consideration. In the effort to popularize municipal bonds and to encourage individuals to buy them many of the States have passed laws making them tax exempt within their borders. This is a proper course anyway for in justice no bond should be taxed in the hands of the holder. There is a further consideration in making bonds tax exempt for all States recognize that a bond holder is always a better citizen and takes a more substantial interest in public affairs.

I am inclined to think that one of the most substantial causes of the "Kansas City Spirit" of which we are proud and which is famous the country over for its encouragement to our rapid municipal development, is due the fact that an unusually large part of its city and school bonds are held by citizens of Kansas City. I well remember that up to about 1896 it was impossible to sell any Kansas City bonds in this market and practically none of them were held here. All of the bonds went east. If I remember correctly it was about 1892 that the old National Bank of Kansas City purchased the issue of \$600,000 of Jackson County Court House 4's. The bank paid about

95 for them thinking that the bonds could be retailed here at a profit. After carrying them a long time and making strenuous and unsuccessful efforts to sell them here the bank finally sold practically all of them in the east at a substantial loss. It was about 1896 when Kansas City began buying back its own bonds but at greatly advanced prices. The four per cent. school bonds which had been begging in the market at 92 to 94 advanced steadily during the next few years until they sold as high as 105. It was much commented on by bond dealers all over the country that Kansas City bonds for several years were selling higher than those of any of the other cities of the country on account of the great home demand for its bonds. There may be no significance to it but it is a queer coincidence to say the least that the development of our parks and boulevards, our new library, and many other evidences of civic pride and spirit began at about the same time that Kansas City began buying back its own bonds.

I would like to devote an evening to a study of municipal bonds and show you the elements that go into making up a municipal credit and utilizing it to obtain for a great municipal corporation or partnership those modern conveniences and comforts and necessities which go to build up the civilization of our times. But I shall pass to the field of corporation bonds and stocks. Let me say in the beginning that no one need think for a moment that he can master the subject of stocks and bonds in their present high development. The subject-matter is too large. It is like opening the window and trying to pull into the room "all out doors." The development has been so swift and so vast that no one mind can compass the subject in all its bearings. The study of bonds and stocks has become, like medicine or law, a profession more than a business. The men who are rated as experts in these matters have at their command an amazing organization of trained and skillful talent. They have attorneys and engineers, accountants, examiners and statisticians and the merits of the security underlying an issue of bonds and stocks is submitted to a thousand different view points.

The tendency of everything in corporation lines is towards concentration and enlargement and as a result many of our large corporations are becoming of a size where it is absolutely impossible for the mind to grasp them. Many a good man has gone wrong in thinking he had obtained an intelligent insight into the inside workings of a corporation when he really had no more idea than he had of the composition of the Aurora Borealis. There are many who take this rapid growth as an indication of some unnatural or iniquitous tendency. This is not correct. Growth is perfectly natural to anything that is alive. The time will never come when the man who is competently at the head of a business corporation will not be hunting with all his might for additional business to bring under the influence of his organization. The minute he quits pulling some one else takes his place. As this process has gone on new and unexpected financing has become necessary. No two companies have the same experience and no two can be financed on the same financial plan. Each condition calls for its own peculiar "set up" as the financial doctors call it. A plan that to-day seems adequate

and sufficiently far reaching will next year look like a nightmare and perhaps be found to tie up assets needlessly so that the necessary financing will be tremendously expensive. Right here is one of the greatest secrets in the safety of a corporation bond. It must not only be well secured to-day but the financial "set up" under which it is operating must be such that the company can adapt itself to the possible changing conditions and take care of its requirements and still have these bonds which are good to-day, good at all times until maturity.

Illustrating this point and showing how the best of men will make mistakes, permit me to cite the condition of the Kansas City Railway and Light Company with which you are all more or less familiar. When the company was organized in 1903 it was thought, after a most careful and very scientific investigation, that eight and a half million dollars would be ample to take care of the company's requirements for new construction and replacement for ten years until 1913, so a bond issue yielding eight and a half million dollars was provided and sold and so sure were the owners that this would meet all requirements that there was no elasticity put into the mortgage and all of the property of the company then owned or thereafter acquired was pledged as security. Now the growth of Kansas City was much more rapid than any one expected and instead of providing for ten years the company found itself at the end of three years with its eight and a half million dollars all gone and something like two million dollars additional money spent which had been borrowed at banks on unsecured notes. Ever since then the company has been straining its credit to the limit to keep up with the growth of the city and its franchise requirements, largely because all its new construction automatically goes under other mortgages which are already well secured and leaves the company with nothing free which it can pledge as security for new bonds. Consequently its recent financial operations have not only been very awkward but exceedingly expensive.

The tendency now is to make every corporation bond issue as elastic as possible, that is to make the original first mortgage issue to be authorized for a much larger amount than it is expected will be needed and then to deposit the unissued bonds with the trustee under very conservative restrictions but in such a way that they may be gradually issued by the trustee or "certified out" as it is called when the company can show that it has spent a certain specified amount of money in permanent construction which has been added to the security of the bond issue and covered by the mortgage. This enables the company to take care of unexpected growth without embarrassment and also enables it to put out a long-time bond with safety.

These "escrow bonds" as they are called must be hedged about with very careful restrictions. As a rule a conservative mortgage will permit a company to issue about seventy-five per cent. of the actual cost of new construction provided the net earnings have increased so that the company is earning more than double the interest requirements on not only the old bonds but the new ones it is desired to have "certified out." Before these bonds are certified the trustee will also require evidence showing that the new construction is necessary in the growth of the busi-

ness and it will also require the certificate of competent engineers that the work has been properly done at reasonable cost.

In getting a view of the elements that enter into the credit of a corporation bond issue perhaps it would be interesting for us to take a look at the bonds in the workshop where they are being prepared. Let us assume that the proposition of a bond loan on a certain property has been submitted by the owners of the property to one of the largest bond houses. The construction of the property is only partly finished, the bonds have not yet been issued as the largest bond houses prefer to prepare the bonds themselves after the investigation of the property has been completed and its present needs and future requirements carefully studied. The bond house would take up the task about like this: First, they would require the report of an engineer of high standing covering the whole situation. Suppose that gas and electric light are both involved in the issue and part of the electric power is produced by waterfall. The bond house would look over this first report and if it was favorable would require special reports by an engineer who was a specialist on gas, and another by a specialist on electricity and another by a hydroelectric expert. If these reports are favorable some of the strongest houses will call for duplicate reports from other expert engineers on the same subject so as to get the benefit of different opinions. It is amazing what a difference there is sometimes on account of the temperament, line of experience and personal opinion between two equally competent engineers. I have in my office two reports made by two engineers of high standing in New York on a certain water power which it was desired to develop. One engineer figures the cost of completing the development at a certain figure and estimates that the property can be made to earn fifteen per cent. on the investment and recommends its purchase. The other engineer estimates the cost of construction at about fifty per cent. higher and does not believe that enough revenue can be obtained to pay the fixed charges and he turns the proposition down and these engineers are of equally high standing.

When these physical examinations are finished, if everything is still favorable, it is turned over to the lawyers to ascertain if titles, franchise, contracts, organizations and everything of that kind are in proper form. This is a point on which the strong bond house takes no chances. As an illustration: A short time ago I had occasion to turn over to our attorney in this city a matter of this kind for one of the largest and most conservative financial houses in the country. His instructions were to go clear to the bottom and no limit of time or expense was placed on him except to be as quick as he could and be thorough. His research not only led him back through the organization of the company itself and several constituent companies, some of which had passed out of existence, but through the franchises and back to the organization of the city of Wichita, and back to the organization of the State of Kansas itself to be sure of its right to give the city of Wichita its corporate existence. Besides that it covered evidence of election of city officials, titles to real estate and the investigation of the organization of a railroad which

had once held the land as a Government land grant and afterwards gone through the hands of a receiver and been merged into another road. Some of these records he found in Kansas, some in New York and I think some in Washington. After straightening out a multitude of details and at the end of about four months of constant work he was ready to report. I was present when he handed in his report, which was all on one typewritten page giving a clean "bill of health" to everything. The President of the company that had employed him read the report over carefully and simply said: "Thank you, Judge, that is just what I wanted." I imagine the good Judge will not forget the occasion either or the generous check which he received for his services. I am afraid the check gave him a bad appetite for he has had a hungry look on his face ever since as if he wanted another one. Ordinarily, of course, the legal examination does not require so much time or go so deep.

If the attorney's opinion is all right then the professional accountants are turned loose on the books to verify the earnings, expenses, etc., and during this time the financial head of the concern is with the lawyers getting up the deed of trust. This is the document on which all the financial as well as legal ability of the concern is called into play. Someone has to look way ahead and forecast the future needs, both for growth and for depreciation in the plant, and also for that dangerous factor which is called obsolescence. A sinking fund has to be worked out that will amortize a portion at least of the bonds and still be within the reach of the company without absorbing all its profits, care being taken not to make this so large as to be a burden on the company or so small that the bonds will not look good to the investor. This part of the work requires the touch of the master hand. There is likely to be a depreciation or betterment charge laid annually that will take care of the depreciation and it must be so carefully worked out that it cannot get mixed up with current enlargements and extensions which are properly subject for additional bond issue and yet not so lax that they can be made to cover obsolescence or depreciation and then the whole must be so arranged and balanced that the bonds will appear attractive to the investor for that individual is the man that the whole game is played for. The bond man is supposed to have his hand all the time on both the pulse and the pocket-book of the investor and he must shape every move in a bond issue so as to demonstrate the security in a way to make it attractive and satisfactory to that lugubrious individual.

The investor is becoming more exacting every year and this is fortunate. While it is tending to build up some tremendously large financial houses it is fixing responsibility for the integrity of bonds and is fast driving out of the business the dealer with the "wild cat" issues which have not sufficient strength to make them desirable investments. In passing on a corporation bond therefore I would want to see a good and complete engineers' report covering the whole property. I would want the opinion of an attorney of high standing and I would want to study the deed of trust from end to end. I would make a careful study of the financial "set up"

so as to be sure that the company has made proper provisions for taking care of its debts, taking care of its depreciation and obsolescence and also made provision for raising money on reasonable security if the property should need to be enlarged and extended from time to time. I would then want by personal examination if possible to apply my own best judgment to the merits of the company and the situation it covers, with particular attention to the personality of the people controlling the property and the various classes of risks connected with the property. Public utility bonds are properly coming to be regarded by investors as very close kin to straight municipal bonds. One is provided for by a voluntary tax on the customer, the other by a forced tax. If you assume that the utility itself is thoroughly established these mean exactly the same. The waterworks is owned by the city which issues its own bonds and levys an involuntary tax on you to provide the interest. The telephone system is owned by a public utility corporation. People who use it pay a voluntary tax for its maintenance. The only difference so far as the citizen is concerned is that he can stop his voluntary telephone tax but he cannot stop his involuntary water tax. When you assume that the telephone is so thoroughly established that it has become a necessary part of our every day life so that people will not give it up then the bond of a telephone company becomes practically as good as a water bond of the city. As the public utility bonds are being regarded more each year as quasi public obligations they are commanding a higher opinion in the mind of investors than any other class of security. It will only be a few years until public utility bonds will be selling on the same interest basis as railroad bonds of similar grade and that is very close on a municipal bond basis.

I have not touched the subject of railroad or industrial bonds and these constitute the largest group of bonds before the public and in many respects the most interesting. I would like to suggest that some time you invite some one to devote an evening of study to this one department alone. The subject is so large that nothing but a mere skimming is possible when one tries to range over the entire field of bonds and stocks in a short space of time and it can be of little value to the listener and not very much satisfaction to the speaker. The most that I can hope for is that some of the scattered thoughts I have tried to bring before you may lead you to a new view point and help you to reach in your own way a better understanding of this great arena of finance in which the brightest and keenest minds of the country are battling—some to improve, others to debauch; some with worthy ambitions, others simply to plunder.

Let me remind you that between stocks and bonds there is as a rule a great gulf fixed as deep as that which separated Dives and Lazarus. Bonds belong to the investor—stocks belong to the speculator. Bonds are bought on the assurance of an absolutely fixed income with the promise of the return of the investment at a definite day with interest at a known rate. No more and no less. Stocks are bought with the expectation and the hope that changing conditions will increase their earning capacity and their market value but they contain no definite promise of income and

have no assurance of the return of the investment at any time. Whether the purchaser recognizes it or not the controlling attraction in the purchase of stock is almost invariably the gamble in the situation. It is surprising how few people recognize the real situation in purchasing stocks and how completely it is dominated by the element of speculation. Where one man buys a stock in the expectation that it is going to sell higher in the market it must not be overlooked that some one else is selling the stock because he thinks it has gone high enough and is likely to decline. It is one man's guess against another's. I know of no expression that will fit the case except to use the harsh and disagreeable word "gamble." Many of the errors in judgment on the value of stocks come from the fact that the buyer does not understand just what it is that he is buying. It will help a great deal if the buyer always keeps in mind that a stock represents simply an interest in the equity of a property. Most corporations are so large that buyers make no effort, or at best a misdirected one, to learn what the stock really stands for.

In looking at the statement of an immense corporation like a railroad it is a good plan to divide the terms by a million and then you have figures of a size that you can comprehend. Suppose I have a house that has cost me \$10,000 and that can be duplicated for \$10,000. Suppose I have a first mortgage loan on it of \$5,000. It is an easy mathematical computation to determine the value of my equity. In a corporation this equity would represent the stock. Now suppose that on my house worth \$10,000 I have a first mortgage loan of \$5,000, a second mortgage loan of \$6,000, and then hypothecate my deed to the property under some kind of a collateral trust agreement for \$2,000 more, how much would you figure the value of my equity or stock to be? Now take a railroad company with its bewildering figures of overlapping bond issues, leases and guaranties of subsidiary or controlled companies and you are likely to lose sight entirely of the real elements of value back of the securities, particularly the stock. The figures are so large that you simply cannot comprehend them and you are likely to be guided entirely by the statement of earnings as the indication of value. This is not only incorrect but it is liable to be very dangerous. Divide these colossal figures by a million and you will get them down to the size of my house referred to above and you can set about intelligently to figure out what the equity or stock is worth. This rule, of course, needs some modification, but in a general way it is the best guide I know of. If you find that a railroad, including its terminals and equipment, is actually worth and could be reproduced for an average of \$50,000 per mile and that it has outstanding mortgage bond issues, collateral trust debentures and equipment notes aggregating \$75,000 per mile I would advise you to look long and tenderly at your good money and kiss it a fond farewell before you part with it in purchasing stock in that company which represents the equity. If these complications ended the difficulties it would be comparatively easy for the purchaser of stocks to guide his footsteps. If a man could take these conditions and in the light of reliable and honest statements figure out the standing of a company and could be guided by his intelligence

as to whether the future growth and development of the property would justify the present value of the stock he might stand a fair show of winning out in his gamble.

Unfortunately, however, the investor is likely to receive a lot of statements and figures that do not represent what he thinks they do and sometimes I am sorry to say willful misstatements, and he is likely to be handed in generous quantities advice and information of the kind which the market calls "dope," most of which is manufactured for the purpose of influencing the market up or down whichever may best suit the position of the interests which are manipulating the market at that particular time. Don't forget my suggestion to remember that a stock simply represents the equity. It is what is left after everybody else has been paid. It makes no difference whether it is a bank stock, or a street railway, or the United States Steel Company—the stock simply owns what is left after everybody else has been paid. Remember, too, my suggestion of dividing bewildering figures by a million and thus getting the proposition down to a size where you can comprehend and understand it. As a rule leave stocks alone but above all things do not be tempted to buy stocks on a margin. I heard somebody suggest a while ago that a law ought to be passed prohibiting any one under sixty years of age from buying stocks on a margin and providing a penalty of hanging for anybody over sixty who was so foolish as to think he could beat the game. I would not be in favor of making the law quite so strict as that but you can put it down as a safe rule that every dollar that is made in speculation in stocks has cost somebody two hundred cents. You, gentlemen, who are familiar with figures can compute for yourselves the average percentage of profit.

EMPLOYEES' BENEFITS.

By J. G. Schmidlapp, Chairman of the Board of the Union Savings Bank and Trust Company of Cincinnati—Profit-Sharing, Pension and Annuity Funds and Their Successful Operation.

The Union Savings Bank & Trust Co. of Cincinnati, Ohio, is perhaps the only organization in this country that has shared profits with its employees from its beginning, and now, having had over twenty years' experience, it cheerfully recommends this plan not only to those in a similar business, but to all industrial concerns.

Our direct "Profit-Sharing" plan has been to set aside a certain percentage of our profits above six per cent. on our accumulated capital, as a fund for distribution among our employees, who have been in our employ three years and over. At first, this fund was distributed to the employees at the end of each year in cash. We have found, however, that this was a mistake. In order to get the full benefit of the operations of such a plan, we have found that our company must take charge of the accumulation of this fund, investing it or allowing as large a rate of interest as possible to be compounded, say at five per cent. per annum, and permitting employees to with-

draw their proportion only when it is to be used for the purchase of a home or to invest in some security approved of by the company, and to be kept in its custody. Of course, whenever an employee quits the service of the company, he has the privilege of withdrawing his proportion of the accumulation.

Critics often suggest that this plan is too paternal to satisfy the average employee, and that if the dividend really belongs to him, as I contend it does, it should be given to him outright. My idea is that the employee should be consulted as to the investments made of the fund, but that unless we can teach him to save it, the distribution will do more harm than good.

We next established a "Pension Fund," providing also for temporary disability. Out of this, employees are paid their salary in whole or in part under a sliding scale, during an illness of not more than twelve months. The only cases we have had in which illness has extended beyond this time have been granted allowance by special action of our Executive Committee. These employees have been kept on the pay roll at a reduced salary, and have been allowed, when compelled to seek a milder climate, to assume some other employment to assist them to add to their income. In case of death, this sick benefit is extended to the family of the employee. At the age of sixty, after twenty-five years of continuous service, an employee may retire upon half pay. This age limit is often criticised as being too low, but these critics are usually men who have already reached advanced years and have forgotten how many have dropped by the way-side before reaching this limit. It must be remembered also, that in a bank, most of the employees begin as boys, and should they reach the age of sixty, they will have over forty years of work to their credit. Bankers here and abroad, generally put the age limit at sixty-five, but are more liberal in the number of years of service required, than we are.

We have recently added a system of Insurance Annuity which gives to the widow of an employee, who has been in our service ten years, upon his decease, ten per cent. of his yearly salary, and for each additional year of service, one-half per cent. additional; also to each minor child up to the age of eighteen years, one-fifth of the amount paid to the mother. If the child be an orphan, it receives one-third of the amount the mother would have received if living, but only during school age.

By these steps we have aided our employees by assisting them to save regularly during their productive period, by providing for their means of support after they have reached a nonproductive age, and by providing partial relief for their families after death, during their productive period. But at the same time, our company has received a benefit in increased efficiency and loyalty.

I believe that under these plans, our employees fare better than those of other concerns who do not share in the profits which they help to create. I believe also, that they become more valuable to our company by the personal interest which they take in the promotion of our business, and by this very interest, increase the value of their services. I have never agreed that the employee should be assessed for part of this fund, as most institutions have done, be-

cause this seems to me to tend to diminish his interest in the company and deprive the plan of its full benefit. Besides, it places the company in a more independent position in its relation with the employee, especially should he quit its services.

I am often asked if we pay the same salaries as competitors, and if the above plan pays our company. I always answer both questions in the affirmative. We believe that each of our employees receive fully the same salary that our competitors would give him for his ordinary services. At the same time, he gives us better service than he would give our competitor, as an automatic result of our Profit-Sharing plan. Of course, it must be understood that if any of our employees was willing to give the same complete service to a competing company not operating under our plan, he would deserve a better regular salary than he receives from us.

In our savings bank, the work of bookkeeper is entirely mechanical and the average compensation for such services can be ascertained as easily as that for laying brick or any other mechanical labor. Such an employee, therefore, cannot in his capacity, merely as a bookkeeper, earn any more for us than he could for a competitor. But if we can, by our plans as outlined above, enlist his interest in the success of our company, he can increase the value of his services in other ways, such as for example, by using his efforts to gain depositors, a work which is open to any employee of our bank.

If our present plans should be continued by future administrations, and our employees continue to place their yearly share with our company for accumulation, and as I have said, they should do so if the plan is to be successful, they may retire at the end of their working period, with an accumulated fortune of from forty to fifty thousand dollars each, and receive half pay during the rest of their life. These figures show the benefits of saving, and the power of interest.

I wish to impress upon employers the fact that indirectly their employees will earn for the company, at least a part of the fund distributed under such a plan, by the increased efficiency which such distribution induces. Our experience has been that estimating the average distribution among our employees to be between three and four hundred dollars a year, an intelligent employee will usually decline to accept a position with a competing company offering him an advance over his regular salary of, say, one-half this amount. So that at least half of our disbursement is only payment for increased efficiency. Improving the efficiency of employees is one of the great ideas in the recent developments of scientific management, and profit sharing, we believe, will prove to be a very valuable means of bringing out the latent efficiency of employees, which formerly was done in part by the personality of the individual employer. This latent efficiency is perhaps after all the greatest source of undeveloped wealth in our industrial world.

It may be suggested that exacting bank examiners may construe the operation of such a plan as I have outlined to be a liability against the bank, but we have endeavored to avoid such an attitude by having all our resolutions so drawn as not to bind future administrations. They may continue, modify, or annul any or all of the plans which are now in force, but for the safety, and perhaps as an incentive to

continue the work, I would advise that companies following our plan should accumulate a fund equal in amount to double their annual salary list. The income at, say, five to six per cent., from such a fund, should be sufficient to meet all the pension, insurance and annuity allowance obligations given above. My estimate as to the probable cost is based largely on the figures given by Prof. Siemens to the Deutsche Bank.

I have so far only referred to the operation of this plan from an economic standpoint. It has a distinct value, however, in our political life, as well. Any one who has shown his ability to save is a very valuable citizen in our form of government, for as soon as a man has made a saving, he takes an interest in being protected and in the government which protects him. The industrial companies, the department stores, and large combinations in general, have undoubtedly greatly reduced the number of small manufacturers and traders, whose savings made them vitally interested in their political life. It is necessary, therefore, to build up another class of citizens to take their places, and the institution which measures up to its full duty in the accumulation of a fund for its employees, is certainly assisting to form such a class.

My hopes are, also, that if such a plan as this were generally introduced in our country, we could thereby save the government from attempting an Old Age and General Disability pension, the introduction of which, if we measure results by the operation of our army pensions, must be, to say the least, alarming. This does not refer to the pensioning of its own employees, which I believe could be made as profitable to the government, as to the private corporation.

BANKING QUALIFICATIONS.

By Henry Von der Weyer, Cashier of the National German-American Bank of St. Paul—Address Before St. Paul Chapter.

Up to a few years ago it was the common practice to select for officials of banks the fellows who had the largest amount of capital stock, or those whose acquaintance would be likely to bring business to the bank. Of a practical knowledge of banking, a great many knew little; in fact some only as much as the law allowed. This condition is rapidly changing, however, and the future bank official will be the man who is best equipped for the position, by having the knowledge and also the qualities which go to make up a thorough banker.

I have just penciled off some of the qualifications he should possess, and maybe I have a great many more than can be possessed by one person at the same time, but efforts in the direction which I am pointing out will prove wholesome and profitable in more ways than one.

It is quite necessary to take regular and proper physical exercise, as my ideal banker must be healthy and strong and dexterous in the use of his members; his mind must be equipped with suitable knowledge—bright and intelligent in the use of it, sound, clear and accurate in judgment, conscious of his own limi-

tations, neither too cock-sure nor too timid, and capable of acquiring fresh knowledge as well as making use of the old. He must be firm and consistent, yet not rigid nor obstinate, capable of making up his mind on reasonable grounds, and of sticking to his opinion, but always ready to change in the light of better knowledge. He must be a man of principles, to be applied, not like a hard and fixed rule, but with discretion. He should possess in a high degree the qualities which make for social attractiveness—honesty, truthfulness, self-respect, self-control, courteous regard for the feelings of others, affable with reservation, pleasing in deportment, refined taste, and above all sterling character.

Speaking of character—I ran across a letter the other day, addressed to the bank—and I have seen a hundred others just like it—reading about like this. "Will you kindly give us in confidence your opinion of the character, integrity and responsibility, etc.," and in replying to it, the thought occurred—what is character? I believe the word needs defining, and the more I think it over, the less able I feel in giving a proper definition. We speak of good and bad character, strong and weak character, staple and un-staple character, odd character, and no character. Originally the word meant merely the mark impressed upon a coin or seal to indicate its nature and value, and distinguish it from others, thus, in its applied sense, character means marked individuality. The man of no character thinks, speaks and acts just as the impulse seizes him. If there is any consistency it is due simply to the fact that his impulses or his circumstances are more or less the same all the year round, or because he has got into a rut. His life consists of a succession of thoughts, words and actions following each other more or less at random, and without unity.

A man of character is something firmly bound together into a consistent whole; he has his impulses and his circumstances, too, but his attitude toward them is different—he is their master, not their slave. There is a calculation, a deliberateness about him which the fellow without character has not.

If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting, too;
If you can wait and not be tired by waiting,
Or being lied about don't deal in lies,
Or being hated don't give way to hating,
And yet don't look too good, nor talk too wise;
If you can dream—and not make dreams your master;
If you can think—and not make thoughts your aim;
If you can meet with Triumph and Disaster
And treat those two impostors just the same;

* * * * *

If you can force your heart and nerve and sinew
To serve your turn long after they are gone,
And so hold on when there is nothing in you
Except the will which says to them: "Hold on";

* * * * *

If you can fill the unforgiving minute
With 'sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son.

PROVERBS OF A PAYING TELLER.

By J. S. MacDonnell of the First National Bank of Pasadena, Cal.—Paper Read Before Los Angeles Chapter.

It is more blessed to pay than receive, for at the end of the month thy recompense is greater than his.

Moreover in union there is strength; therefore happy is he whose salary is fixed by the Board, rather than by the officer.

My son, despise not an overage and in the latter day it shall requite thee, for a false balance is an abomination; but a five dollar shortage is simply —.

The forward man stoppeth payment upon a cheque; and she that loseth a voucher diggeth a pit.

Better is a little cash and a just balance than much currency and a shortage therewith.

The foolish woman telephoneth for her balance; but the wise teller seeth her first.

He that is short changed returneth again; but the one with the extra 10 tarreth not.

The cashier hath forbidden an overdraft and pay-day is afar off; but he knoweth not that the employee's cheque is in the cash.

The customer layeth wait and the messenger lurketh privily to destroy thee without a cause; but a good endorsement is a strong tower.

Who hath woes, who hath sorrow, who hath redness of eyes, even he that cometh upon a counter error two days afterward. Verily he seeketh in vain for help.

Seest thou thy neighbor diligent in checking over the day's work? Say not, "Hast thou a difference?" Even a fool, when he holdeth his peace, is counted wise. Mayhap he practiceth penmanship or seeketh some reason why his salary has been raised.

As a man that taketh away a garment in winter, so is he that singeth songs when thou hath a difference.

He that whistleth over his work and he that robbeth a dead body are on their way to the same place.

The treasury sendeth new currency and the clerk cutteth it asunder; but the naughty person winketh with his eyes and sayeth, "Aha, aha, thou art making money fast." Of the surety, one generation passeth away and another generation cometh; but that joke abideth forever.

Seest thou a man getting a cheque book for his wife? Jest not with him, lest he tell thee that hoary one regarding her overdraft and all the stubs she had remaining.

This have I observed—one man hideth his money in his bosom and another putteth it in his trousers' pocket; but the stout woman hath them skinned to death for a safe place.

I had rather be a door-keeper in the house of the Lord than count the collections therefrom on Monday.

Six things do I hate, yea seven are an abomination unto me; a stop payment, a go-back, an overdraft, he that coughs in thy face, he that dabbleth in the cash, the deaf man that cannot be identified and

one from just beyond the Needles, who speaketh as a wise man of the East.

Hearest thou one that saith, "Lo, this is done in the East," or "Lo, it was never on this wise in the East." Pass not high unto him, for a hayseed lurketh in his hair, neither hath he at any time been a day's journey from his own dunghill.

One woman leaveth her glasses at home and another is nervous in the morning; but she that signeth her name without making excuse, the same is not a bride.

Happy is the woman that findeth new currency, for the merchandise of it is better than the merchandise of silver.

He that bringeth a "go-back" in season receiveth fine gold, but a slothful messenger receiveth a fine without gold.

The nervous man rusheth in haste to the wicket, he snatcheth the coin and hasteth away; also he treadeth heavily upon the feet of the innocent; but the prudent one catcheth the same car, neither forgetting his umbrella.

Once have I observed this, yea, twice have I known it; for the simple one sayeth, "It is all one, pay me silver or gold, large money or small, it matters not, seeing it is soon spent." Possess thy soul and wait upon him patiently, for he will not depart until thou hast changed all his money seven fold.

He that introduceth a friend and will not endorse for him, hath not understanding, and to argue with him is like casting pearls before swine.

The foolish one saith, "Lo, I have covenanted with a gold piece for a newspaper, and with a five dollar piece have I purchased a ride on a street car, therefore, pay me in currency, lest my riches depart from me for that which is naught." My son, refrain thyself from him, for he never had more than four dollars.

My son, put not thy trust in perfume. Follow hard after her if thou wilt, but look up her cheque first.

WHAT THE INSTITUTE IS.

By Charles H. Marston, Auditor of the National Shawmut Bank of Boston and Secretary of the Institute—Synopsis of a Talk Before the National Bank Cashiers' Association of Massachusetts.

The Institute is primarily and fundamentally an educational body, created, organized, and, to a generous extent, supported (financially and otherwise) by the American Bankers Association to assist those who are studying or practicing in the various branches and phases of finance to a clearer understanding of the profession.

The theory that a man so engaged can succeed best by the faithful performance of his daily duties as they present themselves, according to his unguided judgment, is a fallacy.

As well assert that the stoker toiling in the fire-room or the cook sweating in the galley (by strict attention to business) are fitting themselves for capable commanders and navigators.

Do not get the impression from what I am saying that a man may slight his daily duties for the pur-

pose of studying. The aim of the Institute is to educate him in the best way to perform them and also to lead him on into a broader and fuller knowledge of his profession.

Many of the problems involved have puzzled the minds of our greatest financiers and many of us have developed bald spots in trying to work them out for ourselves.

Those who work mechanically do simply as they are told or shown and seldom consider why their work was so planned by their predecessors.

The Institute seeks to inspire its members to seek for the fundamental facts and then helps them in their search.

The men who succeed in any profession are not the men who are content to plod along in the footsteps of others, but those who strive to improve and perfect their work in whatever department they may be and who, by development, are capable of greater responsibilities.

Some philosopher has classified men as follows:

The man that knows and knows not that he knows not, is stupid—experience may educate him.

The man that knows not and knows that he knows not, is appreciative—help him.

The man that knows and knows not that he knows, is asleep—arouse him.

The man that knows not and thinketh that he knows, is a fool—shun him.

The man that knows and knows that he knows, is wise—follow him.

QUALIFICATIONS FOR INSTITUTE OFFICE.

By President Charles F. Minor, of New York Chapter.

Let us continue to exclude selfish politics from our ranks. Its absence is one source of our success. Let this one question be put to every man who seeks an office: "What have you for the betterment of the chapter in return for the honor you seek?"

CONVENTION DELEGATES.

The fact should be remembered that in Institute conventions each chapter is represented by delegates on the basis of one delegate for each twenty-five members or fraction thereof and one delegate-at-large, based upon the records of chapter membership in the general office of the Institute thirty days before such annual convention. Alumni employed in banks located over thirty miles from any chapter city and not members of any chapter may be delegates at any annual convention upon personal attendance, provided that no two such delegates shall be identified with any one bank or other financial institution.

CORRESPONDENCE INSTRUCTION.

The extension of correspondence instruction is greatly facilitated by the arrangement recently consummated whereby all members of the American Bankers Association have been made associate members of the Institute. In the correspondence method of instruction, the exercises provided in connection

with each lesson are to be submitted to instructors whenever done. The work of students thus produced is corrected and returned with such criticisms and suggestions as may be helpful in each case. Students are privileged to ask incidental questions and special letters are written to overcome individual difficulties. Average students get little benefit from books alone. What most of them need is a teacher to direct them and to encourage them and to drive them. The usefulness of a teacher is not so much to impart specific information as to stimulate the ambition and interest of students and to systematize and verify their work. The correspondence method of study lacks the inspiration of social contact, but the personal relationship established between students and instructors stimulates ambition, and the fact that all lessons must be written insures thoroughness and thought. Specimen lessons will be sent on application to the American Institute of Banking, 11 Pine street, New York City.

SCOPE OF INSTITUTE STUDY.

The course of study provided by the American Institute of Banking, as described in the introductory lesson, is intended to cover the theory and practice of banking and such principles of economics and law as apply to the banking business. While the work of the Institute is mostly devoted to orthodox methods of banking and established principles of banking law, the investigation of financial problems is encouraged, with due caution, however, that there are two sides to most questions and that the other fellow's opinion is entitled to consideration. The chief difficulty in the study of finance is its apparent simplicity. Unwary investigators are apt to conclude that they have mastered the subject before they have fairly begun it. Many well meaning people thus become doctrinaires and subsequently study not so much to ascertain facts as to construct arguments in support of their own theories and in denunciation of everything and everybody else. Some such people produce thunderstorms of rhetoric, full of flash and noise, but empty of the essence which clears the air and freshens the soil. Unbiased truth, thoroughly thought out, should be the paramount object in the study of finance.

COST OF INSTITUTE STUDY COURSE.

The cost of the Institute course of study, as arranged for the coming year, whether furnished to any chapter as a whole, to any class in any bank or other financial institution, or to any individual studying alone, including text-literature and all examinations not delegated to local instructors, is \$30, less fifty per cent. to chapter members or employees of financial institutions that are Associate Members of the Institute through membership in the American Bankers Association. The lessons pertaining to banking and the lessons pertaining to law may be taken in two separate courses if desired. The tuition fee for each of the two partial courses thus arranged, under the same general conditions as are prescribed in the complete course, is \$20, less fifty per cent. to chapter members or employees of financial institutions that are Associate Members of the Institute through membership in the American Bankers Association.



INSTITUTE CHAPTERGRAMS

CONVENTION ARRANGEMENTS.

By Raymond B. Cox, Chairman of the Program Committee—Meeting of the Program Committee and Institute Officers at Rochester—Institute Talent to be Utilized in Three Symposiums—The Aldrich Reserve Association, Cash Accounting in Banks and the Institute Itself to Be the Subjects of Free-for-All Discussions—Prize Essays for Which Institute Members May Compete—Committees in Charge of Convention Details.

The committee in charge of the program of the ninth annual convention of the American Institute of Banking, recently met in Rochester, N. Y., where the convention is to be held September 7th, 8th and 9th, to carefully consider all matters pertaining to the success of that occasion. Present at the meeting were the three members of the committee, Raymond B. Cox, Baltimore, Chairman; J. H. Dreher, Milwaukee, and Irving H. Baker, Detroit, with Brandt C. Downey, Chairman of the Executive Council; R. H. MacMichael, President of the Institute; George E. Allen, Educational Director; Frederick Mutschler, Frank S. Thomas, John Henderson, and other representatives of the Rochester Chapter.

For several months past each of these have given the matter considerable thought and correspondence. At the meeting the accumulated ideas of each were presented and thoroughly discussed until a tentative program was finally adopted, which, it is believed, will not only attest the energy and interest of those who are working for its success, but will also sustain the reputation of the Institute conventions as being assemblages, not only highly enjoyable, but unusually instructive and beneficial. All the details of some of the sessions have been arranged, and these the committee takes pleasure in presenting. It has been noted that two series of prizes have been offered; these will be the basis of two sessions. The Institute offers prizes for the best essay upholding the National Reserve Association of America (the plan proposed by Senator Aldrich), and prizes for the best essay negatively criticising this plan. At one session the winning essays will be read, after which Hon. Edward B. Vreeland, Vice-Chairman of the National Monetary Commission, will deliver an address on the same subject, criticise the suggestions made in the essays, and lead in an informal discussion and debate on the question. It is hoped that many of the delegates will come prepared to question or discuss this important problem, formally or informally, as they choose.

Those Institute men who have been so fortunate as to have heard Mr. Vreeland, can easily realize how interesting this session will be. Those who have not may know that, high in the legislative and financial ranks as he stands, Mr. Vreeland is "a man of the boys," and one of the best friends of the Institute in the country. An orator of unusual eloquence, he is often most interesting when he can step down into the ranks and extemporaneously parry the thrust of those who differ from his opinion. It seems highly probable that the most important legislation in view is that concerning this subject. Many Institute men are masters of it. All should be, and this session presents a valuable opportunity for all students of finance—members of the Institute.

Joseph Chapman, Jr., has offered prizes to bring forth new ideas on Institute work, \$50 of which is for the best paper on Institute education. This paper will be read and discussed at one session; \$30 is offered for the best extemporaneous speech in connection with such paper and \$20 for the next best. At this session all matters of Institute plans and policies are thrown open to criticism, and the delegates are urged to be free in the expression of their opinions. With such a session as this on the program, the officers may receive many valuable suggestions and no delegate should return to his chapter without a clear conception of the Institute, its present or contemplated plans and policies. This session should be equally valuable to the Institute and to the individual chapters in the administration of their affairs and the realization of their avowed purposes of organization.

In another session will be taken up an informal discussion of "Cost Accounting in Banks." In practical banking this is one of the most important topics of the day, and its consideration should bring forth much valuable information. The subject embraces the analysis and distribution of exchange and interest charges, overhead charges, general operating expenses and all matters which contribute to the cost of an account. The committee would like to be advised of all delegates who have given this matter especial study that they may communicate with them.

In addition to the foregoing, the committee is working on other plans which will add considerable to the value and attractiveness of the occasion.

The Hotel Seneca has been selected as the headquarters of the convention. This is a thoroughly fireproof and modern building, and will make a delightful hostelry. It is most artistic in all of its appointments and convenient in its arrangements, containing within its own walls an ideal hall for a convention meeting. Rochester is a live, active city, and its transient population is considerable, so delegates are urged to make their reservations immediately.

The social side of the convention and all local matters are largely in the hands of an energetic and courteous committee of Rochester members, of which Fred Mutschler, of the National Bank of Commerce, is Chairman. Associated with him on the general committee are Fred M. Simpson, Genesee Valley Trust Co.; L. H. Geballe, Lincoln National Bank; F. L. Neid, Rochester Savings Bank; Frank S. Thomas, Alliance Bank; John Henderson, Jr., Lincoln National Bank; E. P. Vollertsen, Fidelity Trust Company; W. H. Stackel, Security Trust Company; L. H. Pierson, Rochester Trust & Safe Deposit Co.; C. L. Blakeslee, National Bank of Commerce; D. M. Rose, Union Trust Company; George H. Walters, Traders National Bank; George A. Wendt, Mechanics Savings Bank; T. J. Coyle, Monroe County Savings Bank; F. Orville Neely, Central Bank; P. W. Zeeveld, East Side Savings Bank, and J. H. Kaelber, Merchants Bank. The Press Committee is composed of Frank S. Thomas, Chairman; Fred Mutschler and W. H. Stackel. The Hotel Committee includes John Henderson, Jr., Chairman; L. H. Geballe and George H. Walters. The Entertainment Committee is E. P. Vollertsen, Chairman; W. D. Niven, F. M. Simpson, D. M. Rose, T. J. Coyle. The Secretary of the Registration Committee is John Henderson, Jr.

BALTIMORE.

By Adrian J. Grape.

On Thursday, April 20th, we undertook to select ten men to serve as members of the Board of Governors, seven of whom were to serve for three years, and three to serve for two years. The polls were open from 5 p. m. until 8:30 p. m. and during that time there was a constant flow of men, each one eager to cast a ballot for the particular group of gentlemen whom he wished to be victorious. It can safely be said that never before was there ever so much interest and enthusiasm and, certainly, never before were such a number of votes cast. The result brought the following gentlemen into the Board of Governors of Baltimore Chapter: John Broening, Jr., Henry B. Coulson, Jr., Raymond B. Cox, John A. Graham, J. Custis Handy, Louis W. Jenkins, Carl E. Wagner, Charles C. Duke, George Ott and William R. Webb.

May the 23rd was the eventful night of our yearly examinations. About eighteen men hustled and scribbled, perspired and persisted in an endeavor to make a creditable showing. The final results have not, as yet, been announced, but we are certain that there will be some additional certificates for our chapter members. This examination will serve as an additional credit to those previously obtained by some of the men, and thus reward them for their industry.

One hundred dollars in prizes will be distributed to the five gentlemen receiving the highest averages, and it is with much eagerness that we are all looking for the date to know "How much did I get?"

Baltimore Chapter begs to announce the candidacy of Raymond B. Cox for the Presidency of the Institute. Mr. Cox is the Auditor of the First National Bank at Baltimore, and has long been actively associated with Baltimore Chapter. He has attended quite a few of the Institute conventions, and last year took an active

part in the convention program, conducting in a very creditable manner the Symposium. The Fellow Class of the Institute has enrolled him as a member, which especially shows that Mr. Cox is interested in chapter affairs. It is hoped that Baltimore Chapter's many friends will read carefully this announcement, and lend us what aid they can. Baltimore Chapter takes great pleasure in indorsing Mr. Cox for this position, and it is needless to say his friends are working hard to accomplish his election. The official announcement of Mr. Cox's candidacy is as follows:

Raymond B. Cox for President.

Baltimore Chapter presents Raymond B. Cox as candidate for the Presidency of the American Institute of Banking.

Mr. Cox is a man of strong personal magnetism and marked executive ability. He is painstaking, thoughtful, thorough and progressive, and stands for higher Institute education and the development of the Institute in all its branches of endeavor.

Under his presidency, the influences of his personality and energy were felt, and Baltimore Chapter continued to advance, particularly, along educational lines.

He has become well known to those who have attended the recent conventions of the Institute through the active part he has taken in those proceedings and his service on several of the most important convention committees which has given him an intimate knowledge of Institute affairs and needs. He is a graduate of the Institute and has won distinction as a public speaker in the many inter-city debates in which he has successfully participated.

In presenting Mr. Cox for the honorable position as President of the American Institute of Banking, Baltimore Chapter offers one of its most representative members—a man of keen perception, a logical thinker, an able parliamentarian and an efficient executive.

Frank B. Adams,	Louis W. Jenkins,
James C. Fenhagen,	Robert S. Mooney,
James D. Garrett,	Herbert H. Owens,
Adrian J. Grape,	J. Newman Richardson,
W. S. Hammond,	Thomas F. Shriver,
J. Custis Handy,	Carl E. Wagner,
	Committee.

BOSTON.

By Percival Sayward.

The members of Boston Chapter have felt during the few weeks past since the last report to the Bulletin, very much as if the administration to retire at the annual meeting on the 11th was not losing its grip despite its hoary age. Hard after the successful annual dinner, for instance, followed the first debate and adding machine contest ever held by Boston Chapter. The debate was held between members of the chapter as a sort of preliminary try-out in anticipation of greater things next year. The subject was, "Resolved, That a Central Bank System Should Be Adopted by the United States." The affirmative, represented by L. A. Frost and Thos. W. Murray, received the decision, although the negative position was ably maintained by R. A. Whittier, A. D. Johnson and G. G. Colby.

Forty men took part in the adding machine contest which was run in blocks of six men, starting together at a given signal. This resulted in much entertainment and fun for all present. It is only fair to state that this competition, which was open to all bank clerks in the city, was gotten up on short notice, and the men had little opportunity to practice. The Burroughs people took charge of all details and offered as prizes a silver loving cup with \$15 for first man, \$10 for second and \$5 for third. Harry Hefferman, of the Webster and Atlas National Bank, in 4 minutes and 42 seconds, was first and now holds the proud title of champion of Boston. Charles W. Staples, of the Boylston National Bank, was second, and D. F. Fletcher, of Old Boston National Bank, third.

A few days after this meeting appeared the handsome bound volumes of our Lectures on Negotiable Instruments, by Prof. Williston, of Harvard. I believe every chapter member felt pride in the appearance of this business-like volume and showed it with much satisfaction to his non-member friends. This seems to be an appropriate time to express a word of appreciation of the painstaking, arduous and very successful labors of the chairman of the Committee on Printing, Robert H. Bean. Mr. Bean has done a vast amount of work in getting out each week with surprising speed and accuracy the printed copies of our Lectures on Negotiable Instruments, which were as promptly placed in the hands of each subscribing member. Altogether, over 7,500 lectures have thus been distributed and paid for with not a single complaint, and nothing but praise for the bound volume! Mr. Bean is largely responsible for this gratifying result and we congratulate him on his successful handling of the matter.

The annual meeting was held on the eleventh of May, with an attendance of about 150, and every one on hand had a good time. Robert L. O'Brien, editor of the Boston "Herald," contributed not a little to this enjoyment by an hour's talk of a very entertaining and humorous kind on Washington reminiscences, in which city Mr. O'Brien was long stationed as a newspaper correspondent.

We are all sorry to lose Herbert E. Stone as our President, though we have such a good man taking his place. Every member of the chapter feels without question that he has given us a wonderful start as a united, enthusiastic group, ready for an active, progressive future. All those who have come directly in contact with Mr. Stone have felt inspired and stimulated by his constant, disinterested zeal and activity in behalf of the chapter and Institute affairs generally. Long life to him.

A man who should be mentioned here as having done an immense amount of work in a quiet way for the Boston Chapter during the past year is William T. Killoren, now our ex-Secretary. The number of notices, lists, tickets, etc., that Mr. Killoren has seen were properly printed and sent out, together with his other official duties, has been enough to discourage many men from undertaking the labor of this office, but so far as Mr. Killoren's appearance ever showed it was the simplest matter in the world. He "made good" in ever sense and the thanks of the chapter are his if any man's.

On the whole, the new administration which follows could have no better inheritance than the spirit of co-operation handed down to it by the old officers, the executive and the general committee. The officers for 1911-1912 are: President, Charles T. Conway; Vice-Presidents, Robert H. Bean and Thomas W. Murray; Secretary, Randall A. Whittier; Treasurer, Thos. H. Burton. Executive Committee: A. E. Garland, W. G. Rood, E. F. Littlefield, E. D. Parker, Jr., G. M. Keating and H. E. Stone.

At a meeting of the new Executive Committee, held on May 24, 1911, the following Sub-Committees were appointed for the coming year's work:

Educational.—Chairman, R. H. Bean; G. B. Fox, H. S. Ford, G. M. Keating and Olaf Olsen.

Meetings.—Chairman, Thos. W. Murray; W. G. Rood, E. D. Parker, Jr., and E. F. Littlefield.

Debates.—Chairman, L. A. Frost; T. W. Murray, R. A. Whittier, C. M. Spencer and L. V. Banker.

Rochester Convention.—Chairman, A. E. Garland; J. E. Prouty, R. A. Whittier, W. T. Killoren and H. E. Stone.

Publicity.—C. W. Tyler, W. T. Killoren and H. E. Stone.

Finance and Ways and Means.—Thos. H. Burton, R. H. Bean and T. W. Murray.

Examination on Negotiable Instruments.—P. Sayward.

In closing let me mention one more instance of the ever-increasing regard felt for the Institute by the "men higher up" and the interest taken in its work. On Wednesday, May 17th, the Massachusetts National Bank Cashiers' Association held a meeting and banquet at Young's Hotel in Boston. It was known as "Institute night" and the national organization was represented by Educational Director George E. Allen, National Secretary Charles H. Marston, and Boston Chapter by President H. E. Stone. These three gentlemen, together with Roger W. Babson, were the chief speakers of the evening and their audience was profoundly interested. The attention of the bank officials present was fully aroused to the benefits of Institute work for the bank as well as the man, and undoubtedly the large majority went home with determination to do all in their power to encourage the movement. Such meetings are of great assistance to the Institute. Let us do all we can to increase them!

CHATTANOOGA.

By T. R. Durham.

The regular meeting in May marked the closing of one of the most successful years from an educational standpoint that our chapter has ever experienced.

A. M. Dickerson, who has been Chairman of the Educational Committee for the past year, was honored with the position of President for the ensuing year. E. B. Shadden was elected Vice-President, Tom Landress, Secretary, and L. H. Potter, Treasurer. Six other men who are deeply interested in chapter affairs were elected members of the Board of Governors. With these men in charge of the work it is thought that we will experience another successful year.

By virtue of his office, the President of our chapter is delegate-at-large to the convention. S. A. Strauss, F. E. Colville and T. R. Durham were elected as the other representatives.

F. L. Underwood, who we expect to see elected Chairman of the next Executive Council, will of course be numbered among those present.

The Tennessee Bankers Association have an amendment to be proposed to their constitution permitting chapters in the State to become members of that body. We have a representative now in Nashville, in the person of W. R. Snyder, looking after our interests. We feel sure that the amendment will be adopted and that we will soon become regular members of the Association.

CHICAGO.

By C. A. Peterson.

At the annual election of Chicago Chapter, held Tuesday, May 23rd, the following were elected: Harry S. Smale, Continental & Commercial National Bank, President; Walter L. Johnson, National Bank of the Republic, Vice-President; Thos. J. Nugent, First National Bank, Corresponding Secretary; John M. Drummond, First National Bank, Financial Secretary; John H. Grier, Merchants' Loan & Trust Company, Treasurer.

Herman E. Ellefson, Continental & Commercial National Bank; Jas. E. Hull, First National Bank, and David Johnstone, of the Union Trust Company, were elected as members of the Executive Committee.

The following were elected delegates to the Rochester Convention to be held Sept. 8th, 9th and 10th: Chas. W. Allison, Northern Trust Co.; J. H. Ashley, Corn Exchange National Bank; Bruce Baird, First National Bank; P. V. Barth, Continental & Commercial National Bank; Wm. Bruebach, Merchants Loan & Trust Co.; J. C. Cosgrove, Jr., National City Bank; W. H. Damon, Union Trust Co.; Wm. R. Dowell, Illinois Trust & Savings Bank; Willis Freeman, Col. Trust & Savings Bank; F. O. Goetz, Union Trust Co.; Myron D. Goldberg, Live Stock Exchange National Bank; John F. Hein, Continental & Commercial National Bank; Charles Johnson, First National Bank; O. J. Kuhn, First National Bank; Roy R. Marquardt, First Trust & Savings Bank; E. D. McCullough, National City Bank; F. E. Musgrove, Illinois Trust & Savings Bank; Thomas J. Nugent, First National Bank; John W. Rubecamp, Corn Exchange National Bank; Louis Schaefer, Jr., Merchants' Loan & Trust Co.; E. F. Schoeneck, Corn Exchange National Bank; Jos. J. Schroeder, National Bank of the Republic; Darwin Seymour, Metropolitan Trust & Savings Bank; John A. Walker, Fort Dearborn National Bank; Thos. H. West, Merchants Loan & Trust Co.; C. W. Wilson, First National Bank.

The members of Chicago Chapter one and all congratulate Ralph C. Wilson upon becoming Vice-President of the Old Colony Trust Company of this city. The Old Colony Trust Company is also to be congratulated. Kindly sentiments towards Mr. Wilson are not confined to Chicago Chapter, however, as his acquaintance extends throughout the United States and includes hundreds of personal friends and no enemies. Mr. Wilson is a graduate of the Institute,

and while he has never manifested any particular antipathy to the social and political features of the organization, he stands squarely, both by precept and example, upon the progressive platform of systematic education.

CINCINNATI.

By A. DeWitt Shockley.

At our last annual election held Tuesday, May 16, 1911, the following officers were elected for the coming year: President, John P. H. Brewster, German National Bank; Vice-President, George C. Bauer, Union Savings Bank and Trust Co.; Treasurer, J. Edward Sohn, Jr., German National Bank; Secretary, George Schraffenberger, Jr., German National Bank. Board of Governors, Harry W. Benedict, Arthur J. Schmitt, A. DeWitt Shockley, Edward C. Knauff and William Belser.

CLEVELAND.

By H. W. Dirksen

A "Smoker," at which the annual election of officers took place, was held in the club rooms, Tuesday evening, May 23rd. After the ballots had been counted, the following were declared elected: President, L. J. Kaufman, of the Guardian S. & T. Co.; Vice-President, Charles F. Thie, Citizens S. & T. Co.; Secretary, C. W. Stansbury, Garfield Savings; Treasurer, B. S. Chamberlain, Citizens S. & T. Co. Board of Governors—F. L. Archer, of the Cleveland National; H. D. Cozad and E. J. Geffine, of the Garfield Savings; P. J. Slach, of the Broadway Savings, and W. H. Kinsey, of the Citizens Savings and Trust Co.

The ballot box was held open until 9 p. m.; during the interim, the time was given to funny experiences the "boys" had met with. A question box was also conducted, with the old war horse, Peter Slach, in the chair. Many questions were asked to which the boys responded, Clay Herrick giving particularly good advice, which was heartily appreciated.

The year has been full of many "good things" although the attendance during the last few months might have been larger.

The class in "Banking and Finance," under the very able leadership of Clay Herrick of the Cleveland Trust Co., has proven very helpful to those who took advantage of the opportunity and was worth the time it took, many fold. Examinations covering the year's work will be held about the middle of June.

Many plans were discussed for next year's work. The securing of permanent quarters (club rooms) will be given serious consideration; a campaign for new members will be pushed with vigor. The social feature will be particularly emphasized, and it has been decided to have at least half of those that take part, be members of the Institute. Cleveland expects to send a goodly number to the convention at Rochester, being joined by some of the Western chapters, who will stop over in Cleveland en route.

The new President has been closely identified with the work of the Institute in various capacities, and we are looking forward to a very successful year.

CUBA.

By W. H. Morales.

Cuba Chapter has had a very successful year and promises even better results as it gains in age and experience. At our annual meeting held May 10th, the following named officers were elected for the ensuing year: H. Olavarria, President; W. H. Morales, Vice-President; Rodolfo Padró, Secretary; J. A. Solberg, Assistant Secretary; Guillermo Ruz, Treasurer. Additional members of the Executive Committee, Ramón Galcerán, Francisco Alvarez, Raul Mora, Domingo Isasi. On the announcement of the result of elections, Guillermo Ruz offered a vote of thanks to the outgoing officers and members of the Executive Committee for the past year, and the same being seconded, it was so unanimously resolved.

Mr. Olavarria addressed the chapter in words of appreciation and commendation for the work done and interest taken in the past year, at the close of which a vote of thanks was unanimously tendered him for his splendid expressions to the chapter and for the untiring and able direction of the affairs of the organization by him. Mr. Olavarria said in part:

"Cuba Chapter has shown that it is capable of sustaining a strong vitality, and it is important to note that its workings should be smooth and automatic in order to be permanent, and I take pleasure in attesting to the spirit of culture and high regard which you have demonstrated in every stage of our association, so that it is appropriate to suggest that among the members of the chapter there are many, not only capable of fulfilling the various offices, but who would, if elected, insure our march of progress.

"Let us remember that there are certain duties in connection with the work that require constant labor and attention, as to which a majority of you are perhaps unapprised, since a large part of the duties are performed outside of our meetings. There are long and difficult translations of lectures, articles for the press which are often solicited, notes, reports and correspondence involving many details, besides other executive work necessary to the organization. In the field of labor I desire to attest to the principal part which has been performed by our colleague, Mr. Morales, and to express the hearty good will with which he has done his share, especially when we consider the fact that he has been giving daily instruction to the English Class, which is part of our chapter, showing the real spirit of education which characterizes his work.

The work done by Dr. Menocal has been apparent to every one. His part in giving the Spanish version of the lectures received from the central office, his explanation as a result of the comparative study made by him of the laws of Cuba and those of the United States, and his uniform interest in the chapter demonstrate his importance as one of our working factors, and we are indebted to him for the time taken from his professional duties.

"In view of the facts as pointed out, I am sure that you will join me in giving a vote of thanks to Messrs. Morales and Menocal for their services to the chapter during the year ending to-day.

"The increase in volume of the chapter work shows the need of distribution of the same in a con-

venient and satisfactory manner, and during the summer vacation it will be necessary to consider the appointment of committees to undertake the work in a systematic way when we begin again in the fall. A Committee on Translations, for example, should exist, to do the work of this kind for the coming year; there should be an Entertainment Committee to take charge of the various diversions of the chapter, and other committees showing an immediate participation in the work by all the chapter members.

"In our next course of study I consider it important, among other things, to have regular lectures given on Political Economy, considering that the systematic study of the subject as a science is indispensable for those who, like ourselves, are giving their efforts to the banking business, and because we need practical knowledge on a basis of known facts to render effective and satisfactory our business activity. Permit me to suggest that no one better than Dr. Leopolda Cancio, whom we have heard on another occasion, is qualified to carry out our needs in this respect, and he has promised to endeavor to favor us in giving lectures to the chapter, in answer to an inquiry made on the subject.

"It would be comparatively easy to set out the advantages derived by each and all of us as a result of the American Institute of Banking organization in Cuba, but as you know the facts I will not detail them. Our accomplishments in the past are small compared with the possibilities of the future.

"As the chapter is the only Institute organization in Havana, a large sphere of action is centered on it, and in undertaking to study and resolve certain problems of the future, its radius will extend. For instance, the problem of a Clearing House in this community, to facilitate banking operations the same as in other countries, is upon us, and its solution is imperative by reason of the enormous financial interests concerned.

"There is also the question of closing the bank on Saturdays at 12 o'clock, as is done throughout the United States, England and other countries, as well as Santiago, Guantánamo and Manzanillo. This matter has met with more difficulties than was at first supposed, and is being again considered by the banks and bankers here. For your satisfaction, let me say, that I believe it will soon be determined favorably, as the National Bank of Cuba has given its approval to the measure.

"Our individual efforts are necessary to resolve the various questions as they arise, as their solution will be largely incumbent on our institution, and let it be our purpose on adjourning for the summer months to resume work in October, to prepare ourselves not only for the practical duties of the coming year, but for the intellectual elevation of the members on a sound and permanent basis."

DALLAS.

By Sim T. Lake.

Dallas Chapter, after a most successful year, held their annual meeting and election of officers on April 27th, which meeting was largely attended and much interest manifested. The following officers were elected for the ensuing year: President, Forrest Mathis, of the Commonwealth National Bank;

Vice-President, Sim T. Lake, of the National Bank of Commerce; Secretary, A. E. Hopkinson, of the American Exchange National Bank; Treasurer, Grady Burlew, of the City National Bank, who, with Stuart D. Beckley, C. T. Dean, Ben B. Johnston, A. S. Tucker, Max E. Watson and Robt. G. Williams, compose the Executive Committee.

On the 18th the chapter held a special meeting at their new club rooms, which have just been opened, at which a well prepared program, consisting of a debate, several addresses and songs was rendered. The President, Mr. Mathis, addressed the chapter on the "Relation of the Bank Officer to the Bank and to the Employee." His subject was of special interest to the men, his remarks timely and to the point. He spoke of the value of the course as outlined by the A. I. B., and emphasized the necessity of application and thoughtfulness. Judge W. M. the negative by Wm. J. O'Connell, of the American teresting address. The President next announced the debate, subject: "Resolved, That a Credit Bureau should be established in Dallas for the interchange of credit information between the banks." The affirmative was represented by Stuart D. Beck-Pierson was present and delivered a short and in the negative by Wm. J. O'Connell, of the American Exchange National Bank, and A. S. Tucker, of the Commonwealth National Bank. The judges were A. V. Lane, Vice-President of the American Exchange National Bank; J. Dabney Day, Cashier of the First State Bank, and Edwin Hobby, Cashier of the Guaranty State Bank. The debate was very interesting throughout, as the men were evenly matched and showed good talent and thorough preparation. Mr. Lane, in presenting the decision of the judges, highly complimented the debaters on their good delivery and preparation. After several songs by the quartette, refreshments were served and the chapter adjourned.

The Executive Committee is now at work on plans for the coming year. Much interest is being manifested in the work; the chapter is taking on new life, and by the end of the year Dallas confidently expects to have a chapter second to none in the entire South and Southwest.

DENVER.

By W. Campbell Garver.

The officers for Denver Chapter for the ensuing year, who were elected at the May meeting, are as follows: M. E. Weston, President; P. A. Simpson, Vice-President; B. B. Aley, Secretary; J. W. Garver, Asst. Secretary; J. C. McElherrren, Treasurer.

Denver Chapter is looking forward to a very prosperous year. Knowing that it is impossible to stand still, that we must either go forward or backward, we hope that each succeeding year will find us advancing along every line. The life of any organization depends wholly upon united effort, every committeeman doing his work to the very best of his ability, every man being a booster and not a knocker, and above all, to create a friendly feeling among the various banks, and good fellowship among the men.

The election of delegates for the convention to be held at Rochester took place at the meeting, and the

following men were elected: W. O. Bird, P. A. Simpson, Gus Askling, R. J. Baker and W. C. Garver.

The chapter, being entitled to six delegates, Geo. Brown, who is a member of the Institute Executive Council, was unanimously elected as a delegate from Denver Chapter in addition to the delegates named above. W. O. Bird was elected chairman of the delegation and also chapter delegate.

DULUTH.

By John L. Evans.

Duluth Chapter has just closed a very successful year. Reports of the officers for this last year were read at the regular meeting, May 10, and the annual election was held. The results follow: President, C. J. Grogan, Northern National Bank, Duluth; First Vice-President, A. W. Taylor, City National Bank, Duluth; Second Vice-President, J. M. Crawford, of Superior, Wis.; Secretary, John L. Evans, First National Bank, Duluth; Treasurer, John R. Wells, First National Bank, Duluth. Members of the Executive Committee: Charles I. Towner, Western State Bank, Duluth; Ford Wiltse, Northern National Bank, Duluth; Sam Miller, American Exchange National Bank, Duluth, and G. H. McCarthy, First National Bank, Duluth.

A. W. Taylor was chosen delegate to the National Convention at Rochester. After the meeting, an athletic program was given.

Duluth Chapter has done well this year in educational lines. We point with pride to the fact that eight of our members hold Institute Certificates, and every one has been benefited to some extent. Our new officers expect to do even better, and our members anticipate a good educational program next year. The social side has been well attended to, and there were half a dozen most enjoyable affairs last year. But next year will be even better. Our plans will form definitely during the summer.

FORT WAYNE.

By Albert M. Allgeier.

At the annual meeting of the Fort Wayne Chapter of the American Institute of Banking, held at the Commercial Club, in May, E. F. Scheumann, of the First National Bank, was elected President; Amos Richey, of the Old National Bank, Vice-President; Albert Allgeier, of the German-American Bank, Secretary, and Charles J. Steiss, of the Nuttman Bank, Treasurer.

The above officers with the following members constitute the new Executive Committee: Karl Jurgensen, Old National Bank; Otto Scheumann, Hamilton National Bank; Ray Getz, First National Bank; W. F. Reitze, Old National Bank; Ed. Bittler, People's Trust Company; Charles Aumann, First National Bank.

Following the election of officers the retiring president, Clinton Willson, read a brief address in which he outlined the work accomplished during the year, explained the benefits that arise from the frequent meetings of the chapter and urged the younger

employees of the banks to become active in the institute work. In his remarks Mr. Willson said:

"Although our meetings have not had the attendance which they have deserved, nevertheless they have been exceedingly profitable to those who have attended. It was my desire and hope when we entered on the past year's work that we would take up the educational feature as recommended by the national institute officers, but after looking over the situation it did not seem wise to take it up this year. It is my hope, however, that as our chapter gets older and more thoroughly organized, we will take up the educational work as recommended by the national officers. I think that the importance of institute work is not appreciated here in Fort Wayne as it should be, and possibly not in other places. In the first place, I am quite convinced that the higher officials of our banks have not given the matter the attention it deserves. Institute work, if properly done, means a great deal to every financial institution in the city and the work would be well done if the bank officials would become familiar with the true principles of the Institute, and then urge its importance on their employees. The Institute stands for education in banking on the very broadest lines. The time was in Fort Wayne when the presidents of the few banks could keep an eye on all the detail in their banks, but that time has passed and a great deal of the very important work must be left to the man behind the desk and in the cage. The educational features of the American Institute of Banking take excellent care of just this situation. It trains a man to do the things with which he comes in contact every day in the bank, and to do them the best way. Therefore, the officials of banks should recommend to their employees that they affiliate themselves with the Institute.

"As previously stated, we did not take up the regular course of study this past year, but we feel that the year's work has been very profitable. We have had meetings each month, except the month of February, when our regular meeting night fell on a legal holiday and no meeting was held. On October 19th Henry Freeman, of the First National Bank, gave a very interesting and instructive talk on 'Moneys of the United States.' With Mr. Freeman's long experience in the banking business, it is unnecessary to say that his paper was very valuable to every member. On December 15th we were very fortunate in having with us George E. Allen, educational director of the Institute. Mr. Allen's talk was along general lines concerning the educational features of the Institute and his talk was very helpful. On March 29th E. W. Cook, Secretary of the Citizens Trust Company, talked on 'What a Trust Company Can Do.' Mr. Cook has a very interesting way of putting things and his talk was very much enjoyed by all. He demonstrated in a very practical way that a trust company can do a great many things. One of the most enjoyable, as well as profitable meetings of the year was held April 19th, when Fred Thieme, of the Wayne Knitting Mills, gave an interesting account of his trip to Panama. The Panama Canal, which had been rather a theoretical problem to most of us, was made a very great reality by Mr. Thieme. His maps, pictures and statistics en-

abled us to get a very clear and comprehensive idea of what the canal really is going to be."

The thirty or more members present sat down to a splendid luncheon, prepared under the direction of Manager Keller, of the Commercial Club.

M. B. Johnson, of the Citizen's Trust Company, was made chairman to arrange for the annual banquet which will be held in June at Robison Park, and the other members of the committee are Albert Allgeler and L. Baade.

W. H. Coffinberry, one of our members, formerly cashier of the Garrett Banking Company, of Garrett, Ind., is now connected with the Bank of South San Francisco, at South San Francisco, Cal.

Clinton Willson has been elected as our delegate to the Rochester convention. Mr. Willson is the cashier at the Commercial Bank. E. F. Scheumann, of the First National Bank was elected as the alternate.

KANSAS CITY.

By C. W. Allendoerfer.

Kansas City Chapter has elected the following officers for the ensuing year: President, G. G. Moore, of the New England National Bank; Vice-President, D. A. McDonald, of the Fidelity Trust Company; Secretary, A. B. Eisenhower, of the Southwest National Bank, and Treasurer, P. A. Adams, of the Title and Savings Bank. The Executive Committee is composed of C. W. Allendoerfer, of the First National Bank; J. M. Stilwell and Joseph T. Heydon, of Houston, Fible and Company. A. B. Eisenhower and Jerome Thralls, Manager of the Kansas City Clearing House, were named as delegates to the national convention of the Institute in Rochester, N. Y., September 8th. W. H. Potts is the first alternate.

LOUISVILLE.

By E. A. Converse.

We have just closed the best year of our chapter life from every standpoint with our annual banquet at the Old Inn. Ralph C. Wilson, of Chicago, was the chapter's guest and chief speaker. R. C. Kinkead, Referee in Bankruptcy, was our toastmaster. He said, in opening, that his profession was that of a lawyer, but we decided, before the evening was over, that he should have been a toastmaster by trade.

Mr. Wilson opened his address by saying: "Gentlemen, we are here to-night for two reasons, first, to have a good time and, second, to discuss the work of the A. I. B." His talk, for the most part, was to give us the good time, but what he said in the serious vein was just what we needed and wanted a great deal more. He impressed us with the fact that the successful young bankers in this country, now, are all A. I. B. men and that through that channel only is the inlet to success.

Mr. Davidson, of the Columbia Trust Company, gave us an excellent talk on "Will-Power as an A. I. B. Requisite."

H. C. Rodes, President of the Citizens' National Bank; H. D. Ormsby, Cashier, National Bank of Kentucky, and Earl C. Gwin, President Second National Bank, New Albany, Ind., all gave us short

talks, which showed that their banks respect and appreciate the good which is derived from the A. I. B.

Our election of officers for the coming year was a very satisfactory event to all. The honors were decided as follows: President, Jos. H. Mershon, Union National Bank; Vice-President, W. J. Warren, Citizens National Bank; Secretary, C. Davidson, Columbia Trust Company, and Treasurer, J. W. Pritchard, Union National Bank.

The chapter certainly owes a debt of gratitude to the retiring officers, especially President Zahner and Secretary Young. It has been through their untiring efforts that the members have had something to look forward to from one Thursday night to another, outside of the regular educational work, in the way of adding machine contests, discussions on everyday occurrences and problems which come up in regular bank life, etc.

We are looking forward with great anticipation toward the convention at Rochester in September. The delegates selected to bring the good of the convention home to us: Jos. H. Mershon, R. Ray Cobb, Clinton Davidson and E. A. Converse, Jr.

MILWAUKEE.

By Edward Schranz, Jr.

The Institute final examination in "Banking and Finance" has been passed by C. W. Brew, J. H. Daggett, H. J. Dreher, Frank T. Nicolai, A. W. Scheer, Edward Schranz, S. R. Onaden and H. H. Van Male. Having previously passed the final examination in "Commercial and Banking Law," C. W. Brew, J. H. Daggett, H. J. Dreher, Frank T. Nicolai, A. W. Scheer and Edward Schranz are now entitled to the Institute Certificate.

What has undoubtedly been Milwaukee Chapter's most successful year, closed on April 28th with the annual election of officers. The chapter, realizing that much of the success of the past year was due to the individual effort of President Dreher, prevailed upon him to accept the re-election, desiring to continue the educational program to which the President and Board of Directors committed the chapter early in the year. The election resulted as follows: President, H. J. Dreher, Marshall & Ilsley Bank; Vice-President, Geo. Neth, Wisconsin National Bank; Secretary, J. H. Daggett, First National Bank; Treasurer, W. A. Kurtz, Germania National Bank; Librarian, Edward Schranz, Jr., First National Bank; Directors, J. L. Kennedy, Marine National Bank, and F. T. Nicolai, Second Ward Savings Bank.

Three classes have been conducted, and the remarkable increase in membership, the large attendance, and the interest manifested throughout, proved conclusively that educational features tended to create an interest in the Institute, far above the other two features sometimes mentioned, namely politics and sociability.

A course in commercial law was conducted by E. W. Spencer, Associate Dean of the College of Law of Marquette University; a course in "Banking and Finance," by Prof. W. A. Scott, Director of the Course of Commerce in the University of Wisconsin, and in addition to the two studies necessary for the attainment of the Institute Certificate, a course in

"Advanced Accounting and Credit Work," under supervision of the Extension Division of the University of Wisconsin.

As a result of the examinations conducted at the conclusion of these classes a number of members will receive the certificate, while a large number, who have been able to devote only a sufficient time to class work to qualify in one of the studies, will strive for the other in the ensuing year.

In the meantime the members will devote themselves to baseball and the annual vacations, and in September will again be ready for active participation in chapter work.

MOBILE.

By W. J. Parham, Jr.

The April meeting of the Mobile Chapter proved itself interesting and instructive to the members who availed themselves of the privilege of hearing Palmer Pillans, of Pillans, Hanaw & Pillans, on "Legal Points in Banking." Mr. Pillans dealt with his subject ably, especially reviewing in detail the many intricate points involved in the handling of foreign bills of exchange, showing clearly the liability of the different parties in interest and stating the origin in common law and the reason for such liability. He used the good judgment of avoiding as far as possible legal phraseology, and his address was, therefore, the more thoroughly enjoyed.

On May 16th the annual meeting of the chapter was held, the following officers being elected for the ensuing year: President, W. J. Parham, Jr.; Vice-President, P. G. Barnes; Secretary, W. O. Jarvis; Treasurer, E. S. McConnell, and R. K. Bodden, A. G. Levy and W. R. Eastment were appointed to serve with the officers on the Executive Committee.

At this meeting two papers were read by their authors, i. e., one on "The Handling of Collections—Notes, Drafts and Bill of Lading Items," by P. G. Barnes, and the other on "Exchange Charges," by W. O. Jarvis, both being initial efforts on the part of these two members, and both of special merit. This is the first work of like nature essayed by Mobile Chapter. Its value, however, is self-evident, and in line with the work as outlined in the following paragraph, many such papers will be requested.

It has not been noted in the Bulletin that Mobile Chapter very proudly furnished her quota toward the successful among those who took the Institute course in "Commercial and Banking Law" the past session, five members passing the required examination: A. C. Tonsmeire, E. L. Deasy, P. G. Barnes, W. O. Jarvis and W. J. Parham, Jr. These members expect to take up "Banking and Finance" the latter part of the year, and a new class in "Commercial and Banking Law" will be organized.

My "third and lastly," will be just a word to publicly acknowledge the value of the work done the past year by our retiring President, A. C. Tonsmeire, to whose efforts is due the success of the educational and other features of Institute work in Mobile Chapter. Although no longer serving the chapter as an executive, his heart is with us, and we look to see the interests of the chapter furthered in many ways through his co-operation in the future.

NASHVILLE.

By F. N. Mayfield.

The annual banquet of Nashville Chapter was held at the time of the meeting of the Executive Council of the American Bankers Association, early in May. The toastmaster was John J. Hefflin, whose wit and eloquence made the situation somewhat embarrassing for other speakers. Under the subject of "Money Talks," however, James Byrn presented a rare combination of humor and philosophy. Wm. Hume, our class instructor in law, spoke instructively and entertainingly on the subject of "Tennessee State Laws." The subject of "Silence is Golden" was handled by V. J. Alexander in anything but a silent manner. J. W. Miller idolized the ladies with all the chivalry of Andrew Jackson. Murphy Webb was the living embodiment of "Masculine Pulchritude as a Business Asset," and Douglas Wright took almost till morning to say "Good Night." The Educational Director of the Institute was present and gave us one of his serious talks.

Nashville Chapter held its regular meeting on May 9th and had one of the most interesting sessions of the year. Treasurer Hillman reported that the chapter was in very good condition and discussed at some length the question of joining the Board of Trade. After some discussion the chairman appointed V. J. Alexander as Chairman and Messrs. Hillman and Broderick as a committee with power to act. After the other reports, the election of officers for the ensuing year was announced. Mr. Miller spoke at some length, lauding his candidate for President, Mr. Broderick. Mr. Broderick nominated Mr. Benedict, and the vote being taken Mr. Broderick was declared elected. V. J. Alexander was elected Vice-President and Mr. Anderson, Treasurer. Mr. Wilkerson nominated Mr. Benedict as Secretary and the nomination was declared closed. The vote being taken, it was declared that Mr. Miller, a dark horse, had been elected. There were a number of nominations for Executive Council and Messrs. Dorris, Wilson and McNeilly were elected. Resolutions were offered thanking Wm. Hume for his services in the law class and a copy sent to Mr. Hume.

NEW ORLEANS.

By John Dane.

The last regular monthly meeting of our chapter during the current Chapter Year was held on the tenth of May, and was followed by a very enjoyable smoker. All of the old outstanding business was cleared up, and the new administration will take hold of a clean slate. The chairmen of the advertising and ticket committees turned in their final reports on our last vaudeville show, and we have in Treasury at this writing the sum of \$868.27. Irwin L. Bourgeois, Chairman Entertainment Committee; C. W. Kay, Chairman Advertising Committee, and E. A. Saucier, Chairman Ticket Committee, were extended the sincere thanks of the chapter for their untiring efforts to make the show a success.

The rest of the evening was devoted to the smoker, and the gods of fun and revelry ruled supreme until a late hour. Much credit is due the Entertainment Committee for the "classy" vaudeville "stunts"

on the board, as well as the "eats" and "smokes." The orchestra greatly enlivened things, with the boys singing all the popular airs.

The renditions of Walter J. Coquille (our own), were the hit of the evening, especially his parody on "Stop, Stop, Stop." Messrs. Luria and Fitzgerald also distinguished themselves as orators. The outside talent was exceptionally good, and the smoker was voted a great success.

NEW YORK.

By W. H. Kniffin, Jr.

The faithful four hundred who have sat in Assembly Hall night after night during the past season, drinking in the good things, will need no review of the work to impress them with the quality thereof; but those who have not been in the "four hundred" may be interested in a bird's-eye view of the work as seen from the Secretary's pedestal.

The year has been characterized by the great influx of new members, 918 names having been added to our roll, being 151 more than we started with in September, 1910. Only 123 have resigned, 25 have been dropped, making total deductions of 148, leaving a net membership at this time of 1,537, being a net increase of 770, or three men over one hundred per cent. Every name has been regularly entered, reported to the Bulletin and to the Treasurer, indexed and personally acknowledged, making over 5,000 entries in the Secretary's office in connection with new memberships.

The causes for this increase are no doubt two:

First, the excellence of the educational program, which offered no better matter perhaps than other years, but in very much better arrangement. The consecutive treatment of each subject was a happy thought, and the finishing of one subject before beginning another was in keeping with the old adage, "one thing at a time"; and the Educational Committee, individually and collectively, are to be congratulated for the general excellence of their work, and deserve the thanks of the chapter for the time and the attention they have given to it. The work has been largely of a constructive nature, and they have laid a foundation deep and broad that cannot fail to endure.

The second cause for our phenomenal growth has, as many of us already know, been due to the systematic method by which we have gone about things. The work of dividing the city into districts, in charge of the District Consul, behind all of which was Cary, the captain, and Minor, the coacher at the base line, brought in the wanderers in droves, and over 900 recruits to our army speaks well of this plan.

The Savings Bank meetings have no doubt been the most interesting savings bank gatherings held in New York for years. I do not hesitate to say that at least one hundred men have joined New York Chapter through these meetings, and I find that savings bank men in all parts of the city are coming to recognize this feature of our work in no uncertain tones. We have had several notable conquests through this work and we shall reap rich harvests from this line of endeavor.

The employment work through the Secretary's office is also just in its infancy. I have no record of the number of men whom we have tipped off, nor of those who have received employment through our efforts. There have probably been 250 notices sent out advising men of openings; and positions ranging from six dollars a week to nine hundred a year have been secured through this employment service. Advice is not often received as to the results of this endeavor, and I am unable to give more than approximate results. I am sure, however, that when this feature comes to the notice of bank men generally, we shall have a constant run of applications for men who can do things, and it ought to be part of the Secretary's regular duties to act as the "go-between" between the man who wants a job, or a better one, and the bank that wants a man, or a better one; and it behooves us to spread it around generally that the chapter may be the happy medium through which this may be accomplished.

I am well aware that this is no mutual admiration society, and I have no desire to turn it into such; but I cannot resist the temptation at this time to say a word or two about President Minor as an administrative officer. I, perhaps, have been in closer touch with him than any man in the chapter this year, and I have been amazed at the breadth of his activities and the care given to detail. He has given the same careful thought to an application for a job as he has to a record-breaking banquet or a comprehensive educational program, and he has kept close tabs on every phase of the chapter work in a degree that is quite remarkable. Of his personal qualities you are as well informed as I, and I have no hesitation in saying that he has been a President par excellence, and one of whom we may well be proud, both in the present and in the future.

The result of the effort to obtain Institute Certificates cannot at this time be announced, but it is significant that 110 took the examination in Law, 124 in Foreign Exchange, and 55 in Practical Banking, and it would not be surprising to see seventy-five men in New York Chapter qualify for the certificate this year. This means very much more than a few figures run trippingly off the tongue, for who can measure the amount of work that lies back of these three examinations? At least one hundred sets of Institute lectures went out of the Secretary's office in preparation for the examination on the 18th, and the Secretary is confident that New York Chapter has finally settled down to real business, willing to do real work for real results that cannot fail to leave its impress upon the banking interests of New York. I estimate that at least 10,000 men have been under instruction in New York Chapter this year.

Of the Banquet de Luxe, the greatest social event we have ever pulled off; the Burroughs Adding Machine Contest, the greatest race we ever ran; the Cannon Prize, the greatest effort some of us ever made to obtain credit, and of the class in English, the greatest bunch of ready-to-speak-on-any-subject-at-any-time-spoilbinders we ever hatched out, these columns have already spoken.

It has been a year of innovations, and some of the "First Things" we have done this year, are as follows:

First complete list of Consuls—Cary's job well done.

First Board of District Consuls—an idea de luxe. First boat ride—a pronounced success—bum boat but a "crowd of quality" on board. Even the hot dogs were happy.

First Consuls in Branch Banks—thereby stamping the approval of New York Chapter upon branch banking—enough to make a business boom.

First prize for definite work—the Cannon Prize—a blood-curdling process. Won by William Ashdown.

First dance. Made Clements gray before his time. No other comments except as to the quantity of the lemonade for \$15, and the quality of the butters-in, but nevertheless won a place in the "Hall of the Famous" for its manager.

First dinner to past presidents. Characterized by much ancient history and noise. No remarks except as to the age of the roosters—but Cary pleads ignorance as to how old a chicken should be before being killed.

First stumping tour of the boy orators. The water was fine until they struck an iceberg at 953 Third avenue. Orations now in cold storage until next season.

First adding machine contest. Won by pull and not by merit.

But however great may be our numbers, or how intense the enthusiasm, or strenuous the effort to gain the certificate, or manifest the interest in social lines, I confidently feel that the greatest work New York Chapter has ever done, or ever will do, lies in the field of inspiration.

Every man needs a healthy incentive to do his best work. He must become assured that the world has a place for him that he can fill better than anyone else, and that some day, sooner or later, opportunity will knock at his door, perhaps only once, and it is up to him to be prepared for the opportunity and to fit himself to fill it with honor and distinction. And believing that "every dog has his day" and every bank man his turn, my opinion is that our most lasting work will be in the better things that we have inspired in our men.

To see young men moving up into positions of honor and responsibility solely by their own efforts—not by chance, but by the sweat of their brow, long hours of trying work, and nights given to self-improvement, cannot fail to leave its impress upon those who look on and applaud. What others have done, we can do—if we will.

As some of us saw the graduates stand up a year or two ago and take their certificates, we quietly resolved that we, too, would stand up some day and get ours and we will. And I sincerely hope that many who look on this year as this token of work well done is handed out, will likewise quietly resolve to enter the race and quit themselves like men.

OAKLAND.

By Lester H. Heacock.

The faithful attendants of our chapter have enjoyed some notably good lectures during the last few weeks. The first was April 4th, when Professor H. Morse Stephens, of the University of California,

spoke on Historic Banks. Professor Stephens' reputation as an historian was rather awing to some of us, but he proved to be one of the most genial and interesting speakers that has ever addressed us, and his talk, covering, as it did, the early Italian and English banks, was much appreciated.

Two weeks later we enjoyed a lecture that has been promised us and delayed for several months, when Dr. George C. Pardee, ex-Governor of California, delivered an address on "Conservation." The subject is one of interest and those who attended were fortunate in hearing it so ably explained by such an authoritative speaker.

On May 3rd, Philip M. Carey, Chief Deputy District Attorney of Alameda County, was the attraction of the evening, speaking on "Criminal Offenses against Banks." Mr. Carey's experience in the District Attorney's office qualifies him to speak on this, and his interesting talk was plentifully interspersed with personal experiences and anecdotes.

Professor A. C. Whitaker of Stanford, whose lectures of two years ago were the best attended of any course ever conducted by our chapter, appeared on May 11th. His subject, "Economics," was directly for the benefit of the "Banking and Finance" class, as he took for his topics the questions asked in the final examination and discussed them briefly. The evening was too short to cover much of the matter, but we hope to have Professor Whitaker soon again when more of the questions will be taken up.

The "Banking and Finance" class, which Mr. Cerini has so faithfully and patiently led, held its last meeting May 2nd, when the last lecture was read and the final examination undergone. The successful candidates were A. E. Caldwell, F. M. Cerini, John Davidson, J. E. Gustafson, A. J. Larsen, H. A. Merrill, S. C. Scott, L. H. Heacock, G. E. Sleeper and Steb C. Teal.

At a recent meeting the Board of Governors appointed John J. Flynn, of the Central National Bank, to the place on the board left vacant by the resignation of F. D. Moyer, of the First National Bank. Mr. Flynn is one of our charter members. He has served on several important committees and has proven a quiet and efficient worker always, and his appointment by the board is highly approved by the chapter members.

PHILADELPHIA.

By Arthur R. Elmer.

The annual meeting of the chapter was held on Friday night, May 5th, in the form of a smoker and entertainment. Ballots were cast for five members of the Board of Governors for three years, and resulted in the election of Charles B. Engle, Pennsylvania Company; O. Howard Wolfe, Philadelphia National Bank; John C. Frankland, Franklin National Bank; D. J. Myers, Girard National Bank, and David Craig, First National Bank.

The vote for delegates was also taken and the following twenty-three men chosen to represent the chapter at the Rochester Convention: John C. Knox, William S. Evans, Chas. B. Engle, D. J. Myers, Frank C. Eves, John G. Sonneborn, O. Howard Wolfe, H. St. Clair Ash, Walter T. Pratt, Eugene J. Morris, Antrim

H. Jones, J. Norman Ball, Harry Kollock, Freas Brown Snyder, John H. Borden, Jacob Frank, John C. Frankland, Somers S. Moorehead, J. H. Hall, Edmund Williams, Davis L. Lewis, Thomas W. Smith and Wm. A. Nickert.

At the same meeting it was announced that the following men had successfully completed examinations and would receive the Institute Certificate: Dorsey Butler, R. M. Brandriff, Edw. C. Bell, M. E. Benton, R. W. Campbell, A. L. Crispen, Elmer G. Dutton, Edward J. Davis, Howard E. Dely, Arthur R. Elmer, Charles B. Engle, Jacob Frank, Morton Frick, W. E. Hitchcock, J. H. Hall, A. A. Kelsner, E. N. Matsinger, Wm. A. Nickert, M. D. Reinhold, Clarence P. Rowland, Thomas A. Ryan, T. H. Runcle, F. W. Scattergood, Milton W. Stevenson, Robert G. Test, E. H. Thurman, J. L. Thornton, Stuart White, A. H. Wilson, M. J. Woerner. Together with the foregoing graduates, the following men successfully completed the course in banking and finance: Robt. J. Crawford, A. D. Eaches, Norman T. Hayes, C. H. Henry, Eli Kindig, Jr., Daniel H. Killion, Jr., Howard M. Potter and W. F. Watters.

At the reorganization of the Board of Governors, May 10th, the following officers for the ensuing year were elected: President, John C. Frankland, Franklin National Bank; Vice-President, David Craig, First National Bank; Secretary, Chas. B. Engle, Pennsylvania Company; Treasurer, Walter T. Pratt, Security Trust Co., Camden; Asst. Secretary, Harry Kollock, Franklin National Bank; Asst. Treasurer, D. J. Myers, Girard National Bank.

During the month the chapter debating team, composed of Adin P. Rich, First National Bank; Chas. B. Engle, Pennsylvania Company, and O. Howard Wolfe, Philadelphia National Bank, journeyed to Scranton, and argued with the chapter team of that city the following question: "Resolved, That the Federal Government should retain ownership of the forest and mineral lands now in its possession." Scranton defended the question and received the verdict of the judges. This entitles them to debate Pittsburg Chapter at the Pennsylvania Bankers Convention in this city, June 12-13th, for the possession of a cup presented by that organization.

PITTSBURGH.

By John DeM. Werts.

After several attempts our chapter at last succeeded in having Hon. Edward B. Vreeland, Congressman from New York and Vice-Chairman of the National Monetary Commission, address us on the Aldrich plan for currency reform. The meeting was held on Tuesday evening, May 9th, in the Carnegie Music Hall, and special invitations were issued to the Pittsburgh Chamber of Commerce, the Credit Men's Association and the various boards of trade, the general public was also invited. The audience was not large but a very representative one, and by the close attention given the speaker showed that all were deeply interested. Mr. Vreeland said in part: "The National Reserve Association as proposed comprises many features: it would provide for a conservation of the reserve funds of the banks of the United States; it would disassociate note issues by putting the issuance of notes in the hands of the central associ-

ation instead of by individual banks. The management of the institution will be decentralized, there being fifteen districts in the United States, so that no political power or business interest will control the reserve association. The capital of the proposed association has been fixed at \$300,000,000 and it should be flexible. The stockholders shall be both national and State banks and the management shall be vested in a governor appointed by the President from names submitted to him by the members of the association. The amount of stock held by each bank as a member of the association shall be limited to five per cent. of the entire capital and in the same way the dividends returnable to the members shall be limited to five per cent., and the surplus is to go to the National Treasury. The reserve association will do business only with those banks that are members of the association and not with individuals. The note issues of the reserve association will take the place of the present note issues of national banks."

The annual campaign for the election of officers ended on Tuesday, May 23rd, and the following men were elected for the ensuing year: President, Harry E. Hebrank of the Union National Bank; Vice-President, A. W. Schreiber of the Carnegie National Bank; Secretary, B. O. Hill of the Second National Bank, and Treasurer, A. P. Martin of the Terminal Trust Co. The Directors elected were J. H. Arthur (retiring President), P. L. Adams, W. J. Heyneman, H. I. Thompson, J. A. Price and C. D. Richardson.

The past year has been a very successful one for this chapter and the untiring efforts of the officers are responsible in a great measure for the success attained. The successful management of any chapter is a large undertaking even with the hearty co-operation of all the members, but when they become apathetic the burden falls on the few who are interested like a mill stone. Let each and every member shoulder their part of the load and help your officers all you can.

PROVIDENCE.

By E. D. Armstrong.

Following an informal supper at the "Crown," the annual meeting for the submission of reports of retiring officers and committees and the election of officers and delegates for the coming year was held at Keith's Hall, May 11th. The election resulted as follows: President, Wm. McCulloch; Vice-President, Alfred M. Mitchell; Secretary, George H. Manchester; Treasurer, J. Harry Marshall. Executive Committee: H. C. Owen, C. L. Eddy, E. A. Havens, A. J. Wood, L. V. Elder and O. T. Sherman. Delegates: Geo. H. Manchester, E. A. Havens, A. R. Plant, L. V. Elder, A. M. Mitchell, H. L. Wilcox, Wm. McCulloch, E. J. Littlefield, A. J. Wood and E. B. Fessenden.

It was announced that the Executive Committee had appropriated a sum not exceeding \$50 to defray the railroad expenses of three delegates, said delegates to be elected at this meeting. The three fortunate delegates elected were L. V. Elder, George H. Manchester and Wm. McCulloch.

The reports were interestingly presented and the elections were closely contested, there being two tickets in the field. The first vote for President

showed a tie between Messrs. Littlefield and McCulloch. The second vote resulted in the election of Mr. McCulloch, and on motion of Mr. Littlefield this election was made unanimous.

Boston Chapter was represented at the meeting and Geo. E. Allen, Educational Director, was also present. Mr. Allen's address, at the conclusion of the election, was sound and convincingly in favor of educational work as the essential basis of all chapter activity.

In accepting the office of President, Mr. McCulloch made a short address appreciative of the honor conveyed, and bespeaking the co-operation of all members of the chapter for the work of the coming year.

RICHMOND.

By Jno. S. Haw.

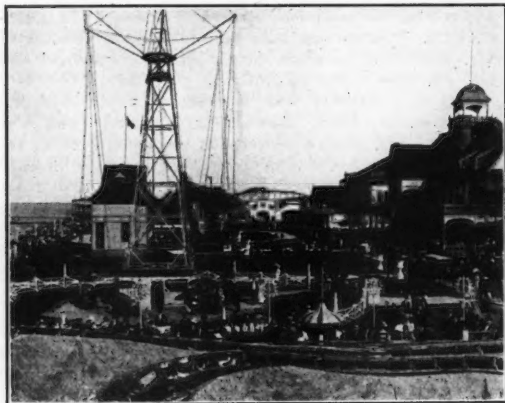
At the May meeting of the Richmond Chapter, held on Thursday, the 11th, the following officers were elected to hold office during the season of 1911-12: S. P. Ryland of the First National Bank, President; G. H. Bates of the National Bank of Virginia, Vice-President; Jno. S. Haw, of the First National Bank, Secretary, and E. A. Leake of the National Bank of Virginia, Treasurer. The following delegates were chosen for the Rochester Convention: D. E. Mountcastle, First National Bank; C. V. Blackburn, Planters National Bank; Warren M. Goddard, National Bank of Virginia, and Clinton L. Williams, Merchants National Bank. The alternates are H. G. Proctor, Jno. M. Miller, 3rd., G. B. Gregory, Geo. W. Watt, Jas. P. Watson and Edward L. Word.

The May meeting marked the close of the season for Richmond Chapter, and as we look back over the year, we are glad to be able to say that much has been accomplished. Next season we hope to have new quarters established further uptown, in a more convenient location, a move which has been contemplated by the Board of Governors for some time, and which we are confident will increase the attendance upon our meetings, as well as to cause the chapter rooms to be used more by the members.

ROCHESTER.

By John Simmons.

Rochester Chapter has completed its educational work for the year and such members as have seen fit to participate are undergoing the process of examination. Next will come the convention. The intellectual features are set forth by the program committee elsewhere in the Bulletin, but the social merry-go-round will not be lacking. The proximity of Lake Ontario gives the double pleasure of land and water sport under the most favorable conditions. Ontario Beach Park really is the Coney Island of Western New York. Twenty-five minutes from the business center of Rochester, and fronting on the lake a quarter of a mile, this resort certainly is a playground for the grown-ups. The Virginia reel, bump-the-bumps, the airships, the outdoor vaudeville performances, the outdoor skating rink, the bathing and the boating, all conspire to make a day or a week spent at the park a bright spot in one's record of good times.



ONTARIO BEACH PARK, ROCHESTER, N. Y.

A colony of Japanese has established an emporium and restaurant within the park, and there is the scenic railway, the house-that-Jack-built, the dancing pavilion and a hundred and one other amusements all calculated to dispel the blues and make one forget there ever was such a thing as "work." The park was constructed at a cost of half a million dollars and is excellently maintained. Free band concerts are given daily in the great musical shell. Included in the park is a picturesque hotel where meals of all sizes, kinds and descriptions may be had on short notice and at a very reasonable figure.

ST. LOUIS.

By James M. Turley.

The annual election of officers and Board of Governors of St. Louis Chapter, for the coming year, was held Tuesday, April 25th, and the following were chosen: President, Frank C. Ball, of Mississippi Valley Trust Company; Vice-President, F. J. Mutschler, of Franklin Bank; Secretary-Treasurer, J. E. Uhrig, of St. Louis Union Trust Company. Board of Governors: B. W. Moser, J. J. Scherrer, Jr., J. M. Turley and W. A. Wilkinson.

Frank C. Ball, the newly elected President of St. Louis Chapter, has been Secretary-Treasurer for the past year. The energy and ability displayed by him in that office made him the unanimous choice for President to succeed Byron W. Moser. Mr. Ball is a young man, but well known to members of the Institute throughout the country, having been a delegate from St. Louis to the national convention at Seattle in 1909. He came to St. Louis, in 1906, from De Soto, Missouri, where he had been connected with the Jefferson County Bank, and immediately became active in the affairs of the Institute. The appreciation of Mr. Ball's ability has not been confined to his associates in the work of the chapter, but has met with prompt recognition by the Mississippi Valley Trust Company, of which he was recently made Safe Deposit Officer. He is optimistic as to the prospect of making this one of the largest and most enthusiastic chapters in the country, and all who know him predict a big year in 1912 for the American Institute of Banking in St. Louis.

S. L. St. Jean, a former President of St. Louis Chapter, has severed his connection with the National Bank of Commerce, and is now treasurer of the new Chouteau Trust Company.

The advancement of Walter W. Smith to be National Bank Examiner causes much pleasure in St. Louis. Mr. Smith has risen from the ranks by force of merit alone and is justly entitled to whatever eminence he may attain. He was employed for several years by a local trust company, and upon the adoption of the system of bank examinations by the St. Louis Clearing House Association, he was selected as assistant examiner. In this capacity he has acquired a reputation for exceptional ability, and was unanimously recommended by the bankers of St. Louis to fill the vacancy in the staff of national bank examiners, caused by the resignation of Frank O. Hicks, who was elected Vice-President of the Mechanics-American National Bank. Mr. Smith's many friends are confident that his success will be as marked in his new field of effort as it has been in all of those in which he has been previously engaged. He has always been a good friend of the Institute.

The annual banquet, which was largely attended, was held on May 4th, at the Planters' Hotel. The toastmaster was E. B. Clare-Avery, Assistant Cashier of the Merchants-Laclede National Bank. The speakers were A. O. Wilson, Vice-President of the State National Bank; Arthur N. Sager, former Circuit Attorney of the city of St. Louis, and Frederick Vierling, Trust Officer of the Mississippi Valley Trust Company. Mr. Wilson made a strong plea for united action among bankers for currency reform, and urged representation for State financial institutions in the proposed plan for national reserve associations. Mr. Vierling's subject was "Interest," and proved to be a most valuable and comprehensive discussion of the investment and re-investment of trust funds by savings banks, trustees, life insurance companies, etc., with especial reference to the laws concerning the interest return thereon. This was an unfamiliar topic to many and was highly appreciated.

A movement is on foot here to bring the merits of Byron W. Moser to the attention of the national organization and to urge his selection for President at the Rochester Convention.

SALT LAKE CITY.

By Q. B. Kelley.

We have had a good year, educationally and at our May meeting the following officers were elected: President, R. Q. Cannon, Zion's Savings Bank; Vice-President, Fred Rich, Utah National Bank; Secretary, J. C. Goodman, Continental National Bank; Treasurer, J. E. Kjar, of the Utah Commercial and Savings Bank. A. C. Strong, of the Utah National Bank, was named as a member of the Executive Committee.

In a general way plans have been outlined for the campaign to get the 1912 convention, which will bring 350 bankers to Salt Lake. Meetings will be held soon to lay definite plans. Thus far chapters of the Institute in the inter-mountain country have been communicated with by members of the Salt Lake Chapters and hotels have been canvassed. When the Salt Lake delegation goes to Rochester it will

be with strength enough, it is thought, to bring the next meeting with little effort. The new Hotel Utah, which will be opened for business on the 8th of June next, will undoubtedly be the Headquarters for the National A. I. B. Convention in 1912, should it decide to come to Salt Lake City. This magnificent hostelry is nearing completion, at a cost of a million and a half dollars, and by those who know is said to be unexcelled by any hotel East or West. There are 400 rooms—every one an outside room and every one connected with a bath, and the appointments are exquisitely elaborate. The Newhouse Hotel, a million dollar structure, at the lower end of Main Street, will also be completed next year—in time to accommodate delegates, who might be an overflow from the Hotel Utah. When it is remembered that besides these Salt Lake has fifteen other modern up-to-date hotels, every one should be convinced that we are able to take care of any sized convention on earth.

SAVANNAH.

By George H. Dieter.

The second annual banquet of the Savannah Chapter of the American Institute of Banking at the Casino, at Thunderbolt, last night, was a very enjoyable affair. It was largely attended by the bank clerks and officials who make up the organization in Savannah and their guests, who sat down to a splendid menu, followed by the speechmaking.

Capt. F. D. Bloodworth acted as toastmaster in his happy style, and led off with the speech making, after being introduced by President R. J. Taylor, of the Savannah Chapter. President Taylor in introducing the toastmaster took occasion to thank those who had helped to make the occasion a success. He praised Capt. Bloodworth as the great friend of the bank clerks.

Capt. Bloodworth in his speech declared the American Institute of Banking has passed the stage of an experiment, and that its usefulness to the bank clerks which it prepared for bank officials was everywhere recognized. Its advantages, he said, were not always appreciated, and the educational classes were not always attended as they should be. He expressed his pleasure that the social feature, as exemplified by the banquet, was being cultivated.

In introducing the first speaker he said he regarded it as a hopeful sign that business men were taking the time to concern themselves with bank clerks and that the bank clerk was the man behind the gun. He introduced F. C. Battey to make a speech on the relationship of business men to bank clerks. He said the young men of Savannah remained boys too long and did not think they ought to get into the real activities of the city until they neared the forties. Few of those present he thought were members of the Chamber of Commerce. He charged them that the young men of the city are an important asset in its progress and urged that they take a larger part in the city's affairs. In closing he urged the importance of a pleasant demeanor to the bank's customers, telling them to join the kind words club and keep their smile on tap.

Maj. W. B. Stephens spoke on the bankers' opportunities and duties. He traced the development

of banks and banking from the earliest times and told of the present influence of the bankers on world affairs. He said the time when banks were run only as money makers was past, and declared the bankers' opportunities for the assistance of development and progress were the duties of the banks. He urged that the bankers exalt character as security for debt apart from property.

Judge Davis Freeman's address on woman was an eloquent one.

Following the regular program extemporaneous speeches were made by W. J. Harty, Gordon L. Groover, S. N. Lewis, A. M. Glover, E. W. Cubbage, Jr., and R. L. Rockwell.

The Board of Governors and Educational Committee elected for the ensuing year lost no time in getting together and mapping out a program for the coming year, which is as follows: June 8th, Foreign Exchange; July 13th, Debate; August 10th, Adding Machine Contest; September 14th, Cotton, Its Production, Grading, Financing, Manufacture and Distribution; October 12th, House Warming and Report of Delegates; November 9th, Naval Stores, Its Production, Grading, Financing, Manufacture and Distribution; December 14th, Lumber, Its Production, Grading, Financing, Manufacture and Distribution; January 11, 1912, Operation of Savings Banks, February 8th, Real Estate and Real Estate Loans; March 14th, Bank Examinations; April 11th, Annual Meeting.

SCRANTON.

By Frank H. Pierce.

Bigger, better and newer than ever before would be a mild way of describing Scranton Chapter's seventh annual dinner, which was held on May 23rd. It was bigger, in the number of guests; newer in the matter of cuisine and surroundings, and better in that it had as the guest of honor for the evening, Hon. Edward B. Vreeland, Congressman from the thirty-seventh New York district, Vice-Chairman of the National Monetary Commission and one of the foremost authorities in this country on banking and currency laws.

The attendance was in the neighborhood of about 200, comprising members of the chapters, bank presidents, bank directors, brokers and other financial and business men of Scranton and vicinity. Quoting the "Scranton Tribune," "The event was the largest and most successful of its kind ever held here, and the guests made up the most distinguished gathering of bankers and business men that has ever assembled in this city," every word of which is true.

The dinner took place in the largest and most modern hostelry in Northeastern Pennsylvania—Hotel Casey. An informal reception was held early in the evening during which time the guests were made acquainted with Mr. Vreeland. At the appointed time the body financial moved into the exquisitely furnished dining room to the strains of the hotel orchestra. A popular feature of the dinner was the singing of the latest airs by almost every one present. These, together with a list of the speakers, the menu and data concerning the chapter, had been incorporated into a stock certificate book, a clever creation, donated to the chapter by the Scranton Lithographing Company. The success of the event is due

to the committee comprising: W. B. Kramer, Chairman; J. D. D. Gladding, John Benfield, E. R. Kreitner, K. R. Burnett and Thomas A. Gibbons.

Former President of the chapter, J. D. D. Gladding, was toastmaster. He was introduced by John Henfield, President, who briefly outlined the work of the chapter for the past year and the prospects for the coming season.

Judge E. C. Newcomb, of the Lackawanna County Court, talked on the "Relation of the Lawyer to the Banker" and began his remarks by stating that was the same as that which existed between all distinguished relatives who have poor relations. He said that true conservatism is conspicuously represented in these two professions. The recently codified negotiable instruments laws are nothing more or less than the decisions which have been used by bankers for years. So you see that the law is at your feet. You have been the tutors and we have been the tutored. The Judge explained several intricacies of the law in so far as it affects banking, suggesting to the younger bankers the course they should pursue when unusual conditions confront them.

George E. Allen, Educational Director of the Institute, complimented Scranton Chapter on its success, which was in his judgment due to orthodox and educational methods.

Rev. Griffin W. Bull, D.D., pastor of the First Presbyterian Church, answered the toast, "A Dollar's Worth." Dr. Bull, who has entertained the chapter at its banquets from year to year, followed up Congressman Vreeland's cold facts with an overflow of wit, humor and really interesting stories, which made a fitting climax for the night's entertainment.

Mr. Vreeland in opening his address held "that the reform of the banking and currency laws is of far greater importance to the business men, the manufacturers and the laboring classes of the country than it is to the banker. It is these classes," he said, "who suffer most in time of panic, since the banker by intuition and by experience is forewarned of panics and protects himself and his bank by calling in his loans, curbing down credits and by his every means of self-protection brings about the condition of panic that he fears."

"Panics are the nightmare of American business life," Mr. Vreeland said, "and we have had a panic every ten years for the past century. In fact, many people think they are the dispensation of Providence and we must bear them as best we can. These panics are totally unnecessary, and the greatest businesses are not safe. They are due to defective banking and currency laws. Our common rivals with longer experience and better banking and currency laws have left panics behind them fifty years ago. When we compare our magnificent country have I not a right to say that these panics are due to the laws? We are the only country that follows these panics with periods of depression. In my judgment it took the panic of 1907 to convince the people that these financial convulsions are due to poor laws. Barring the loss of life, these panics have cost the country more in suffering and in money than all the wars that this country has fought."

In outlining the present financial situation Mr. Vreeland said, that, "ours in some respects was the

finest in the world. Within our borders we have 25,000 independent banks, consisting of national and State banks and representing 40 per cent of the banking capital of the world. But even so the foreigners say our system is barbarous. Most of the other countries have branch banking. If we had such a system you would find a few but colossal combinations of wealth. England has forty independent banks and France only three. This system of branch banking is not adapted to the American people and they do not want it. We could not do away with our present system if we wanted to, even if it is only a fair-weather system going to smash when a storm comes. We have no unity and what we need to do is to band together. We have no keystone and must devise some means to meet the panic when it comes. Then indeed we would be in a position to compete with all the world." Applause.

Mr. Vreeland mentioned as the first defect in our currency system the lack of leadership among our 25,000 banks. "How do we know what the financial situation will be in six months. We are always scanning the financial sky and at least 10,000 are watching. What if they decide money will be tight. They first defend themselves by laying up reserve and bring on the stringency they are afraid of." He spoke of the Bank of Great Britain as a beacon for the people in that raising its rates meant a coming stringency of the curbing of lavish expenditure or speculation. When the rates are normal again they can go ahead at full speed. Where can we look for impartial information like this?

"The second defect was the lack of some one who can supply us gold. Since we do not use gold as the basis for our issue we have no one to conserve it. Of course our exports bring in gold, but I believe that in ten years our country will be importing more than it exports, then who will conserve our gold supply?

"The third defect is the lack of elasticity. We know that a money system that is scientific is elastic, it goes up and down. If crops are good we must have more money than in slack times. In 1907 it broke down because it could not stand prosperity. What are we to do in time of war if it will not stand up now?

"The last defect is the lack of any reasonable reserve system. We have now on deposit in reserve centres fifteen millions in reserve. We can have no conception of so large a sum payable on demand. The theory is that they shall keep this amount to meet demands. It works in fair weather all right. We are the only country" he said, "that the law requires banks to keep a reserve and the only one that breaks down. Why, our very system compels panics. The life of every bank compels it to save itself and it is bank against bank. They are all in a scramble to get every dollar and put it in the safe. At the very first sign of trouble he gets the dollar because if he does not get it in time he will not get it at all and there is not a spot where he can get it. Every system in the world is due to confidence. If you know where you can get money you leave it there. If there is any doubt you want it right away. Mr. Vreeland told of importing \$100,000,000 of Great Britain's \$165,000,000 to this country in 1907 and the great relief that it was. Did it disturb the confidence of Great Britain? Not a bit.

"You cannot avoid centralization," he said. "In New York six or seven banks carry three-fourths of the reserve of the United States, and I want to say that the banks of New York are as safe and as well managed as any, but since the banks are in business for profit they will not carry any more than the legal reserve because it means a loss."

"Our only resort," Mr. Vreeland stated "is a central reservoir of cash or credit where the issue of notes can go on automatically, up or down. We want to adopt a system which is economical. We do not want to set up the old bank of the United States or the bank of France, but we must build it to suit ourselves."

In closing Mr. Vreeland stated "that a concrete example of what the people want will be presented probably within a year with the management in the hands of the people to be called the National Reserve Association." Here the speaker went over the main points of the Aldrich plan.

Since our last report the following additional members of Scranton Chapter have successfully passed the final examination in Banking and Finance, and having previously qualified in Commercial and Banking Laws are entitled to Institute Certificates: John Benfield, Frank H. Pierce, A. L. Dymond, Harry Ryan, Thomas Gibbons and E. R. Kreitner. The entire class waded through the lectures under the leadership of Attorney W. L. Schanz. As a mark of appreciation, the graduating class, consisting of eighteen gave Attorney Schanz a dinner at Hotel Jermyn, May 1st. At this gathering the entire class voted to continue next year under Mr. Schanz in a debating class to thresh out questions of the day.

The annual election resulted in the following officers being chosen: President, John Benfield, First National Bank, Pittston; Vice-President, W. B. Kramer, Lackawanna Trust and Safe Deposit Company; Secretary, Frank H. Pierce, Miners Savings Bank, Pittston; Treasurer, Alfred E. Breen, Traders National Bank. To represent Scranton at Rochester this year were chosen: E. R. Krietner, W. B. Kramer, John Benfield, Frank A. Loro and Ed. F. Price.

SEATTLE.

By Adolph F. Linden.

Seattle Chapter's minstrel entertainments, "Bankers in Burnt Cork," given April the 11th and 12th, are now a memory, but a pleasant memory withal, for not only were the shows excellent in themselves, but they were a financial success as well.

Each show was one continuous riot of laughter from start to finish, for all the jokes were local hits, and the way the boys passed them over the footlights would make Lew Dockstader turn purple with jealousy.

E. G. Norris, of the Scandinavian-American Bank, as interlocutor, with the assistance of Messrs. Fullen, Colwell, Miller, Callahan, Sultan, Burns, Marshall, Shrewsbury and Heath, end men, and Messrs. More and Williams, ballad singers, kept things humming the first fifty minutes with their jokes, dances and songs.

Rowell Marshall came through with an improvisation of his own of the "Alamo Rag," for when half through the chorus he startled his auditors by sing-

ing "I've forgotten the words but I'll keep on just the same," and true to his promise, he did.

Harry Colwell rang in a fall that wasn't on the program, in the middle of his dancing act, but Harry's good nature wouldn't let a little thing like that phase him, for he was up and at it again as though nothing had happened.

In the olio, A. Delfino and his Venetian Troubadors scored heavily, as did Frank Howard in his monologue, "The South Before the War," and Kellogg and Armstrong in their sketch, "Those Boys."

But the big hit of the evening was Messrs Marshall and Colwell in "Mr. Perlmutter and Miss Potash," with Mr. Colwell attired in the harem skirt, essaying the feminine role. It was a scream.

Too much credit cannot be given the company for the time and interest devoted towards making the show a success, and the chapter is also deeply indebted to Messrs. Norman and Norris for their untiring efforts in making it a financial success.

The chapter cleared about \$1,300, and this will enable us to establish permanent club rooms during the coming year, a move which we believe will do more to further the interest in and insure the success of our chapter, than anything that has been done since its organization.

On Tuesday evening, the 18th, we held our annual election.

E. G. Norris and Geo. R. Martin were the contestants for the presidency, Mr. Norris being chosen to head the chapter work during the coming year.

J. C. Glass was chosen Vice-President; Harry Colwell, Secretary, and Lester R. McCash, Treasurer. Messrs. R. C. Hazen, L. F. Hayes and Arthur Goodfellow were elected to the Board of Governors.

Mr. Norris was selected to represent the chapter at the annual convention, with Wallace West as alternate.

SPOKANE.

By W. N. Baker.

The annual installation of officers of the Spokane Chapter was held in the club rooms on May 3rd, and the meeting was in the nature of a smoker and a talk-fest. Reports from Financial Secretary W. H. White and Treasurer Geo. C. Gage showed the chapter's financial affairs to have been ably managed during the past year. A. S. Lindblad, retiring President, thanked the members of the chapter and particularly those who had served on the various committees for their support throughout the year. President-elect J. W. Bradley took the chair and outlined his policy for the coming year and asked the assistance of each and every member in making this the banner year of our chapter work. He expressed the earnest desire that the educational work be taken up more thoroughly in the future and that some of the Institute Certificates might eventually be secured by our members.

The following standing committees were named for the new term:

Education—B. A. Russell, A. S. Lindblad and C. Schumaker.

Debate—W. A. Kesler, E. J. Armstrong and Fred Johnson.

Reception—W. N. Baker, T. D. Brown and John Rotchford.

Club Room—George C. Gage, Frank McGuigan and W. E. Tollenaar.

Librarian—M. W. Lewer.

Following President Bradley's address, the newly elected officers and other members made short talks, all of which were along the line of "boosting" to make our coming chapter year the most successful in every way. Charles R. McLean, Cashier of the Traders National Bank, representing the Washington Bankers Association, gave an interesting talk on the work of that body. He also urged that the Spokane Chapter be well represented in the essay contest on the subject of "A Central Bank in a Financial Crisis," which was announced some time ago by the State Association, and made a number of valuable suggestions.

At a special meeting on May 17th, a committee of five was appointed to investigate the matter of securing new club rooms. This committee will report the results of its efforts at a meeting to be held on May 24th, and at that time probably some definite action will be taken in the matter.

TACOMA.

By Virgil W. Fell.

Many times the chapter rooms have been filled very close to the limit at the monthly meetings, but the May meeting brought into play the relay system of possessing a seat.

First was held the election of delegates to the national convention which left Geo. E. Dixon, Assistant Cashier, Fidelity Trust Company, and W. W. Newschwander, President of the chapter, wearing smiles that will have a chance to expand in giving and receiving greetings in Rochester.

Ellis Lewis Garretson, manager of one of the city's largest insurance agencies, but still one of the boys, was next given full charge and gave his lecture on "The Pyramids of Mexico," assisted by the stereopticon. The slides thrown on the screen were obtained by Mr. Garretson under great difficulties during a recent journey through Mexico and are not possessed by any lecturer in the country. As the pictures were shown Mr. Garretson kept up a running story, tracing the religious life of the people from the earliest period up to the present time. The good and evil periods were easily placed in the minds of his audience by the different types of architecture before them in the form of temples and the later cathedrals and churches. A number of interesting legends were recited which brought out many sides to the life of the Mexican people. The great Pyramid of the Sun was shown before it was uncovered by the government and in its now perfect state. It is said the removal of earth, rocks, and immense trees called for an expenditure of a million dollars. Two more pyramids will be exposed as soon as the money is available, the larger of which is much greater in size than any so long made a part of everyone's knowledge of Egypt.

Bishop Keator's address on "The By-Products of Life" was full of good thoughts and help to all, bringing forth a round of applause which means another night with the bishop if possible.

Last, but not to be slighted, came the supper,

served in the chapter rooms under the direction of the Hotel Tacoma management.

During the evening and while supper was being served the National Bank of Commerce quartette were on deck with selections many and of the sparkle which delights the man with ink on his fingers and Burroughs bruises.

WASHINGTON.

By Frank V. Grayson.

Thursday, April 27th, Washington Chapter entertained B. C. Downey, Cashier of the Continental National Bank of Indianapolis, Ind., Chairman of the Executive Council; Raymond B. Cox of Baltimore, Chairman of the Program Committee of the Rochester Convention, and Carroll Pierce, Vice-President of the Citizens National Bank, of Alexandria, Va., candidate for Chairman of the Executive Council to succeed Mr. Downey.

Mr. Downey spoke of the work of the Institute and the benefits to be derived by being a member of the chapter and taking advantage of the educational courses. Mr. Cox told us of the work of the Program Committee for the convention and said that those attending the convention would be highly and instructively entertained. Mr. Pierce in his remarks said that if elected he would endeavor to carry forward the work of his predecessor to the fullest extent.

The election of delegates and alternates to the Rochester Convention, to be held September 7, 8 and 9, was held on this date and the following is the result: F. B. Devereux, National Savings and Trust Co.; A. B. Claxton, Washington Loan & Trust Co.; E. E. Herrell, National Capital Bank; E. G. Chewning, Washington Loan & Trust Co.; F. V. Grayson, American National Bank; C. H. Doing, Washington Loan & Trust Co.; W. McK. Stowell, Lincoln National Bank; W. R. Baum, Merchants & Mechanics Savings Bank; E. P. Wilson, National Savings & Trust Co.; C. L. Eckloff, National Metropolitan Bank; Joshua Evans, Jr., Riggs National Bank; H. V. Hunt, Commercial National Bank; A. M. Nevius, Riggs National Bank; A. R. Varella, Commercial National Bank; E. S. Wolfe, American National Bank; C. C. Lamborne, National Savings & Trust Co.; H. L. Selby, Farmers & Mechanics National Bank; J. B. Gilpin, Crane Parry & Co.; J. F. B. Goldney, Commercial National Bank; W. A. Dexter, Riggs National Bank; H. V. Haynes, Riggs National Bank; C. F. Jacobson, National Metropolitan Bank; H. E. Wilson, Lincoln National Bank; R. L. Russell, Columbia National Bank.

Thursday, May 11th, was annual election day and the following is the result: President, Joshua Evans, Jr., Assistant Cashier Riggs National Bank; Vice-President, Ernest E. Herrell, Assistant Cashier National Capital Bank; Secretary, Frank V. Grayson, Receiving Teller American National Bank; Treasurer, Charles H. Doing, Paying Teller Washington Loan & Trust Co.; Assistant Secretary, A. C. Muddiman, Bookkeeper National Savings & Trust Co.; Librarian, Harry L. Selby, Bookkeeper Farmers & Mechanics National Bank. Board of Governors: A. Bertram Claxton, Note Teller Washington Loan & Trust Co.; A. M. Nevius, Paying Teller Riggs National Bank; Edmund S. Wolfe, Assistant Cashier American Na-

tional Bank; Charles E. Bright, Paying Teller National Metropolitan Bank, and William R. Baum, Note Teller Merchants & Mechanics Savings Bank. A glance at the above roster of officers and governors should convince the most skeptical that Washington Chapter will be conducted on the same high plane of excellence that has characterized its work the past year. Messrs. John M. Rlordon, T. Carroll Grant, E. Percival Wilson and W. McK. Stowell acted as judges of election from 4:30 to 9 p.m., and we assure them on behalf of the members that their work was appreciated.

An amendment to the constitution of the chapter was adopted at the meeting of April 27th, which permits all persons in sympathy with the aims of the Institute and acceptable to the Board of Governors to be eligible to sustaining membership.

The Excursion committee has had a number of enthusiastic meetings and from the present outlook we are going to have the largest excursion in the history of the chapter. We need the combined effort of all the members in this work and it is to be hoped that every man will do his part nobly.

Thursday evening, May 25th, was chosen for the installation of officers and governors for the year 1911-12. About sixty members gathered around the festal board at the Ebbitt House. President Claxton presided and in very appropriate words told of the work of the past year and paid high tribute to the sterling qualities of the men of his committees and the good work they had done. Treasurer Devereux was called on for his report which was in detail and exceedingly good. Mr. Grayson, Librarian and Chairman of the Press Committee, was called on for his report which was given in a few words, telling of the work accomplished. Mr. Haynes, Chairman of the Program Committee, made his report in some detail, taking up the social side of the year. M. Evans, Chairman of the Educational Committee, gave a most interesting review of the work of his committee. Mr. Herrell, Chairman of the Membership Committee, in his report gave a strong and forceful talk on the success of his work in adding members to the roll. Mr. Wilson, Chairman of the Excursion Committee, told of what had been done and what he hoped to accomplish with the excursion. Mr. Wolfe, Chairman of the Baseball Committee, reported that Georgetown field had been secured for Saturday, July 29th, for the annual ball game with Baltimore Chapter, and that the Dunbarton Club had been secured for the entertaining of the boys after the game. Paul Hines is the captain of Washington Chapter's team again this year, and it is needless to say that Washington will be well represented.

Retiring President Claxton was presented with a beautiful set of silverware as a token of the high esteem in which he is held by the members.

In turning over the office of President to Mr. Evans, Mr. Claxton asked for the solid support for Mr. Evans that was given him the past year. In taking the chair Mr. Evans told briefly of the work he would endeavor to accomplish in the next year. President Evans called the other officers and members of the board around him and they were asked to say a few words.

Retiring Vice-President Miller gave a sterling talk

for the benefit of the new members which was listened to with a great deal of interest and appreciation.

FELLOWS OF THE INSTITUTE.

Following is a list of Fellows of the Institute: George E. Allen, 11 Pine Street, New York City; N. D. Alling, Nassau Bank, New York City; W. M. Addison, National Bank of Virginia, Richmond, Va.; J. C. Allen, Hampden Trust Co., Springfield, Mass.; Andrew Benton, Marwick, Mitchell & Co., New York City; Walter G. Brown, Union Trust Co., Providence, R. I.; A. M. Barrett, Guardian Trust Co., New York City; B. W. Bevans, Luzerne County National Bank, Wilkes-Barre, Pa.; Joseph Chapman, Jr., Northwestern National Bank, Minneapolis, Minn.; H. L. Burrage, Eliot National Bank, Boston, Mass.; James G. Cannon, Fourth National Bank, New York City; F. A. Crandall, National City Bank, Chicago, Ill.; O. H. Cheney, 52 Broadway, New York City; Brandt C. Downey, Continental National Bank, Indianapolis, Ind.; Chas. W. Dupuis, Western German Bank, Cincinnati, O.; Joshua Evans, Jr., Riggs National Bank, Washington, D. C.; J. B. Finley, 8 Market Street, Pittsburg, Pa.; D. B. Forgan, National City Bank, Chicago, Ill.; E. W. Finck, Riverside Builders' Supply Co., St. Paul, Minn.; L. W. Fricke, 4145 La Clede Avenue, St. Louis, Mo.; James C. Fenhagen, Maryland National Bank, Baltimore, Md.; R. P. Fisher, Fourth National Bank, New York City; Geo. Guckenberger, Atlas National Bank, Cincinnati, O.; E. J. Golt, 5228 Hibbard Avenue, Chicago, Ill.; E. D. Hulbert, Merchants Loan & Trust Co., Chicago Ill.; John H. Hart, First National Bank, Detroit, Mich.; R. C. Hecht, Hibernia Bank & Trust Co., New Orleans, La.; Chas. J. Higgins, Central State Bank, Jackson, Mich.; Walker Hill, Mechanics American National Bank, St. Louis, Mo.; Clay Herlick, Cleveland Trust Co., Cleveland, O.; Caldwell Hardy, Norfolk National Bank, Norfolk Va.; S. H. Hann, Forest Park, Station F., Baltimore, Md.; Wm. Hazard, Commercial German National Bank, Peoria, Ill.; W. F. D. Herron, Union Trust Co., Washington, D. C.; Henry T. Holt, 256 Wethersfield Avenue, Hartford, Conn.; Chas. A. Imboden, 243 W. North Street, Decatur, Ill.; Geo. B. Irick, First National Bank, Dundee, Ill.; Franklin L. Johnson, Mercantile Trust Co., St. Louis, Mo.; A. M. Jones, Central National Bank, Philadelphia, Pa.; F. I. Kent, Bankers Trust Co., New York City; S. E. Kehew, Keystone National Bank, Pittsburg, Pa.; S. Ludlow, Jr., Union Trust Company, Jersey City, N. J.; Chas. B. Mills, Clinton, Iowa; W. F. Mackey, Hayden-Miller Co., Cleveland, O.; A. W. Morton, National City Bank, Chicago, Ill.; R. S. Marshall, Bank of Tidewater, Portsmouth, Va.; J. C. Martine, Banco de la Havana, Havana, Cuba; Geo. S. Meredith, Farmers & Merchants Savings Bank, Oakland, Cal.; F. C. Mortimer, First National Bank, Berkeley, Cal.; G. H. McCarthy, First National Bank, Duluth, Minn.; O. M. Nelson, 1836 Dayton Avenue, St. Paul, Minn.; E. J. Newell, Peoples Bank, Buffalo, N. Y.; Frank Noble, 95 Highland Avenue, Buffalo, N. Y.; Geo. F. Orde, First National Bank, Minneapolis, Minn.; John H. Puellcher, Marshall & Ilsley Bank, Milwaukee, Wis.; F. M. Pollard, Exchange National Bank, Pittsburg, Pa.; E. J. Parker, State Savings Loan & Trust Co., Quincy, Ill.; L. S. Patterson, Eastern

Township Bank, Sherbrooke, Quebec, Can.; W. F. Paull, Representing National City Bank of Chicago, Seattle, Wash.; Carroll Pierce, Citizens National Bank, Alexandria, Va.; L. E. Pool, Hibernia Bank & Trust Co., New Orleans, La.; Geo. H. Richards, 422 S. 4th Street, Minneapolis, Minn.; R. M. Richter, Carthage Superior Limestone Co., Carthage, Mo.; O. L. St. Jean, 1007 Lucas Avenue, St. Louis, Mo.; Roy L. Stone, German-American Bank, Milwaukee, Wis.; John F. Thompson, Bankers Trust Co., New York City; Frank S. Thomas, 24 Wellington Avenue, Rochester, N. Y.; R. C. Wilson, Continental & Commercial National Bank, Chicago, Ill.; D. C. Wills, Diamond National Bank, Pittsburg, Pa.; Geo. W. White, Commercial National Bank, Washington, D. C.; John Williams, Marwick, Mitchell & Co., Chicago, Ill.; H. H. Owens, Farmers & Merchants National Bank, Baltimore, Md.; J. L. Swope, 1921 Park Avenue, Baltimore, Md.; G. D. Sears, Fidelity Trust Co., Buffalo, N. Y.; F. L. Underwood, Hamilton Trust & Savings Bank, Chattanooga, Tenn.; Geo. M. Reynolds, Continental and Commercial National Bank, Chicago, Ill.; F. W. Ellsworth, Guaranty Trust Co., New York City; Geo. A. Jackson, Continental & Commercial National Bank, Chicago, Ill.; W. B. Strautman, Central Trust Co., Cincinnati, O.; H. F. Pratt, First National Bank, Cleveland, O.; L. G. Bein, Iowa National Bank, Davenport, Iowa; R. T. Cudmore, Peoples State Bank, Detroit, Mich.; A. H. Cooley, Security Co., Hartford, Conn.; Thos. H. Kaylor, Indianapolis National Bank, Indianapolis, Ind.; John Perrin, American National Bank, Indianapolis, Ind.; Stoddard Jess, First National Bank, Los Angeles, Cal.; Chas. G. Greene, 2406 Kent Street, Los Angeles, Cal.; Alexander Wall, First National Bank, Milwaukee, Wis.; Fred Vogel, Jr., First National Bank, Milwaukee, Wis.; E. C. Phinney, Northwestern National Bank, Minneapolis, Minn.; F. K. Houston, First National Bank, Nashville, Tenn.; C. F. Minor, Knickerbocker Trust Co., New York City; M. F. Bauer, American Exchange National Bank, New York City; H. Billman, North Side Bank, Brooklyn, N. Y.; J. A. Neilson, Brown Bros. & Co., New York City; J. G. Sonneborn, Ninth National Bank, Philadelphia, Pa.; A. G. Boal, First National Bank, W. Elizabeth, Pa.; J. I. Buchanan, Vandergrift Building, Pittsburg, Pa.; J. S. M. Phillips, Fourth National Bank, Pittsburg, Pa.; E. S. Eggers, Union National Bank, Pittsburg, Pa.; Jos. L. Guild, 890 Hope Street, Providence, R. I.; E. A. Havens, Mechanics National Bank, Providence, R. I.; G. A. Peple, American National Bank, Richmond, Va.; J. H. Stafford, Fidelity Trust Co., Rochester, N. Y.; J. W. McDermott, Wells Fargo Nevada National Bank, San Francisco, Cal.; James D. Ruggles, Bank of California, San Francisco, Cal.; L. H. Woolfolk, Scandinavian-American Bank, Seattle, Wash.; J. J. Scherrer, 5124 Cabanne Avenue, St. Louis, Mo.; John Poole, Commercial National Bank, Washington, D. C.; S. J. Henry, Commercial National Bank, Washington, D. C.; R. R. Clabaugh, 739 Euclid Avenue, St. Louis, Mo.; Otto H. Ludwig, Second Ward Savings Bank, Milwaukee, Wis.; Eugene J. Morris, 3219 Page Street, Philadelphia, Pa.; A. J. Skinner, Third National Bank, Springfield, Mass.; Lyman E. Wakefield, Wells & Dickey Co., Minneapolis, Minn.; W. I. Dey, Peoples Bank, New York City; H. H. Pease, 32 Cone Street, Hartford, Conn.; E. S. Wolfe, American National Bank, Washington, D. C.; Harry L. Clapp, Bank of California, San Francisco, Cal.; Dwight M. Armstrong, Commercial Trust & Savings Bank, Memphis, Tenn.; J. C. Tiffany, Traders National Bank, Spokane, Wash.; George A. Brown, Denver National Bank, Denver, Colo.; George H. Keesse, Merchants National Bank, Richmond, Va.; C. C. Homer, Second National Bank, Baltimore, Md.; C. C. Carter, American National Bank, Louisville, Ky.; Wm. V. Davis, Savannah Trust Co., Savannah, Ga.; Chas. H. Marston, National Shawmut Bank, Boston, Mass.; C. R. Harris, Scandinavian-American Bank, Seattle, Wash.; Ernest C. Jensen, Scandinavian-American Bank, Tacoma, Wash.; W. M. Stevens, Bronx Savings Bank, New York City; Wm. H. Peck, Third National Bank, Scranton, Pa.; J. A. Pearson, St. Paul, Minn.; F. M. Cerini, Oakland Bank of Savings, Oakland, Cal.; T. R. Durham, Chattanooga Savings Bank, Chattanooga, Tenn.; Col. F. E. Farnsworth, American Bankers Association, New York City; H. G. Proctor, Commonwealth Bank, Richmond, Va.; Wm. M. Rosendale, Market and Fulton National Bank, New York City; Lester B. Brady, U. S. Sub-Treasury, Chicago, Ill.; P. J. Slach, Broadway Savings & Trust Co., Cleveland, O.; Gray Warren, First National Bank, Minneapolis, Minn.; W. O. Bird, Colorado National Bank, Denver, Colo.; B. O. Hill, Second National Bank, Pittsburg, Pa.; Lawrence C. Humes, First National Bank, Memphis, Tenn.; D. J. Lyons, First National Bank, Cincinnati, O.; L. G. Brown, Hamilton National Bank, Chattanooga, Tenn.; Raymond B. Cox, First National Bank, Baltimore, Md.; John C. Knox, Bank of North America, Philadelphia, Pa.; H. P. May, City National Bank, Dallas, Texas; Freas B. Snyder, Merchants National Bank, Philadelphia, Pa.; Geo. W. Woolrich, Wells Fargo Nevada National Bank, San Francisco, Cal.; H. Olavarria, Banco Nacional de Cuba, Havana, Cuba; G. A. Harrington, R. I. Hospital Trust Co., Providence, R. I.; Q. B. Kelly, Utah National Bank, Salt Lake City, Utah; W. J. Murphy, Traders National Bank, Scranton, Pa.; E. P. Wilson, National Savings & Trust Co., Washington, D. C.; Joseph Bailey, National Bank of Commerce, Spokane, Wash.; James D. Garrett, Central Savings Bank, Baltimore, Md.; Allen H. Newton, 218 Collins Street, Hartford, Conn.; A. M. Wright, U. S. National Bank, Portland, Ore.; W. McK. Stowell, Lincoln National Bank, Washington, D. C.

